



INTEGRITY COMMISSION

FIRST ANNUAL REPORT

2018/2019



"United Against Corruption"



INTEGRITY COMMISSION

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July 9, 2019

The Hon. Parnel Charles, CD, JP
Speaker of the House of Representatives
Houses of Parliament
Gordon House
81 Duke Street
Kingston

Senator the Hon. Tom Tavares-Finson, OD
President of the Senate
Houses of Parliament
Gordon House
81 Duke Street
Kingston

Dear Honourable Speaker and Honourable President:

In accordance with the provisions of Section 36 (2) of the Integrity Commission Act, I have the good honour to submit, to you, three (3) hard copies and a Compact Disc (CD) of the First Annual Report of the Integrity Commission for the financial year 2018/2019.

Section 36 (2) of the Integrity Commission Act mandates that *“The Commission shall, not later than three months after the end of each financial year, or within such longer period as the Parliament may approve, submit to Parliament an annual report relating generally to the execution of the functions of the Commission during the preceding financial year, which shall contain the information set out in the Second Schedule.”*

I, therefore, so respectfully advise.

Very respectfully yours,

The Hon. Mr. Justice (Ret'd) Karl Harrison, CD
Chairman

Copy: Mrs. Heather Cooke, JP, Clerk to the Houses, Houses of Parliament

INTEGRITY COMMISSION

1ST ANNUAL REPORT

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CHAIRMAN'S REMARKS

Introduction

The Integrity Commission submits the first Annual Report to the Houses of Parliament on its activities during the past year of operation. The Report is required to be tabled in Parliament “not later than three months after the end of each financial year, or within such longer period as the Parliament may grant in accordance with Section 36(2) of the Integrity Commission Act of 2017 (the Act).

This Report is being published at a time when, more than ever before, there are growing pressures from civil society, the media and other bodies, for good governance, transparency and equity, in the management of the affairs of parliamentarians, public bodies and public officials.

In the past year, the Commission has had an active approach in its monitoring of several investigations of allegations of corruption involving public officials. We are aware that there is no single solution in fighting corruption so the Commission has undertaken to come up with a comprehensive strategy, which should embrace the three-pronged approach deterrence, prevention and education.

Composition of Members of the Commission

Section 8 of the Act provides that the Commission shall consist of five (5) Commissioners, namely: –

- a) The Auditor General, and;
- b) Four other persons referred to as “appointed Commissioners”.

The current Auditor General is Mrs. Pamela Monroe Ellis FCCA, CA.

The “appointed Commissioners” who received Instruments of Appointment on February 26, 2018, from Governor General His Excellency the Most Hon. Sir Patrick Allen, after consultation with the Prime Minister, the Most Hon. Mr. Andrew Holness, and the Leader of the Opposition, Dr. Peter Phillips are:

- The Hon. Mr. Justice (Ret'd) Karl Harrison, CD, Chairman
- The Hon. Mr. Justice (Ret'd) Seymour Panton, OJ, CD
- Mr. Eric Crawford, CD
- Dr. Derrick McKoy, CD, JP

The “appointed Commissioners” will hold office for a period not exceeding seven (7) years and may be eligible for re-appointment.

Development of the Operational Structure of the Commission

The Act which came into operation on February 22, 2018 merged the roles, activities and responsibilities of The Office of the Contractor General (OCG); The Commission for the Prevention of Corruption (CPC); and The Integrity Commission (of Parliamentarians) into a single anti-corruption agency in order to promote standards of ethical conduct in the activities of our parliamentarians, public officials, other persons and institutions.

Apart from the Integrity Commission Act having identified the three major operational divisions of the Commission (Information and Complaints, Investigation, Corruption Prosecutions) the task of developing the wider organizational structure of the combined Agency, staffing, operating procedures and operational policies were left for the Commissioners to undertake – no preliminary work having been done in this respect. This work had to be done even as they sought to continue the work of the legacy agencies. This became the priority of the Commissioners. The combination had to evolve in the context of the new legislative framework outlined in the Integrity Commission Act, which presented new functions not previously within the mandate of the legacy agencies, such as Corruption Prosecution. Against this background, the Commission engaged the services of a qualified and experienced Change Management firm which has provided professional advice in the development of a comprehensive strategic plan, incorporating the change management processes that was required to produce an integrated, vibrant organization fit for the purposes envisaged by the legislation and capable of satisfying the vision that informed its creation. The Commission also secured external funding to finance this work.

The Commission has at present a highly competent and efficient staff compliment with the requisite specialist assets, and skill-sets but we will be increasing the staff membership to enable the Commission to deal with corruption offences in a more efficient and effective way, to that which currently obtains. The experience in the discharge of its functions under the Act over the past year has forcefully revealed that comprehensive investigations into the financial affairs of parliamentarians and public officials require high level professional staff in the field of forensic and investigative accountancy. There is also the need to increase the number of investigators, data analysts and researchers.

The Commission is mandated by the Act to obtain the approval of an Oversight Committee of the Parliament in order to fill the positions identified in the strategic plan on a permanent basis. At the time of writing, the Commission is awaiting the consideration of the Oversight Committee, following which the senior positions will be advertised widely so as to attract the best candidates for the positions. All

incumbents will have the opportunity of applying for and will be considered for the permanent positions once they are advertised.

The Commission also recommended to the Governor General, persons who he appointed as interim Executive Director and Interim Directors for the Information and Complaints, Investigations and Corruption Prosecution Divisions to lead its work pending permanent appoints to those posts.

Compensation for Commissioners

Compensation for the Commissioners also requires the approval of the Oversight Committee. We are "surprised" that to date there has been no determination as regards our compensation. We understand that the process of getting a recommended compensation structure is still being pursued, so, we are yet to receive any emoluments in relation to our roles as Commissioners.

Prosecutorial Powers

The Commission now has full prosecutorial powers, subject to the powers conferred on the Director of Public Prosecutions by virtue of section 94 of the Constitution of Jamaica. The Director of Corruption Prosecution is not subject to the direction or control of any person or body in relation to the conduct of his prosecutorial functions under the Act or any other enactment except in cases where the DPP intervenes. Further, the Act mandates that the Commission acts independently, impartially, fairly and in the public interest; and shall have the power to do all such things as it considers necessary or expedient for the purpose of carrying out its functions.

The Way Forward

The strength and independence of the Integrity Commission is essential to ensure that the Act achieves its objectives, including creating an environment of trust based on non-partisan impartiality in investigation and enforcement.

The Commission is in the process of recommending to Parliament, amendments to some key provisions in the Act for it to operate smoothly and effectively fulfill its mandate. Section 60(1) of the Act makes this possible now. The section states, *inter alia*, that the Act "shall be reviewed from time to time by a committee of both Houses of Parliament and that the first of that review shall be conducted within five years from the appointed day, save and except for the provisions of Section 42(3)(b), which shall be reviewed within two years after the appointed day," The Commission is considering, *inter alia*, the following amendments to the Act:

- **Section 10** provides that “an appointed Commissioner shall, subject to the provisions of the Act, hold office for a period not exceeding seven years and may be eligible for re-appointment. However, if, for any reason, there is no reappointment of the persons who served as “appointed Commissioners” during the previous term, the Commission will be constituted by entirely new “appointed Commissioners”. The clear disadvantage inherent in a continuation in force of the prevailing arrangement is a lack of continuity in the work of a Commission comprised of new members not having had the advantage of direct knowledge or experience in the operation of the Commission. If a mechanism to stagger the term of appointment of the “appointed Commissioners” were to be adopted this would ensure a smooth transition at all times and the maintenance and preservation of the institutional memory of the Commission.
- **Section 15** provides for the termination of appointment of a Commissioner and gives the Governor General the power to terminate the appointment of an “appointed Commissioner” for reasons set out in Section 15(1). Subsection (2) states however, “if the Governor General decides that the question of termination of the appointment of an appointed Commissioner ought to be investigated” then the procedure is set out thereafter how this should be done. It is the view of the Commission that section 15(1) should provide without reference to the Governor General, that an “appointed Commissioner” may be removed from office only for inability to discharge the functions of his office (whether arising from infirmity of body or mind or any other cause) or for misbehaviour, and shall not be so removed except in accordance with the provisions of Subsections (2)(3)(4) and (5) of this section.
- **Section 42** deals with the examination of statutory declarations and publication of the summary declaration. The use of the term “is satisfied that the statutory declaration has been duly completed” and other aspects of the section need to be clarified. Additionally, in an effort to assist the financial analysts who review the Statutory Declarations, it has become evident that better particulars are required in respect of Sections 4 and 12 of the Statutory Declaration.
- With respect to **Section 53(3)** which deals with the confidentiality of investigations and reports, it is widely believed that the present provision is “inconsistent with the objective of transparency in the functioning of the commission”. It is our view, that the Commissioners should be given the option of reporting in general terms the stage of an investigation, without commenting specifically on the individuals being investigated or

what they are being investigated for. We are further of the view that such disclosure should be restricted to the Government entity that is involved and the cause of the Commission's interest if the Commissioners deem such disclosure appropriate and taking into account the need for the protection of the reputations of individuals and institutions whose culpability have not been established to the satisfaction of the Commission.

- **Section 60 (1)** provides that the Commission may make Regulations subject to affirmative resolution in both Houses of Parliament. It is the considered view of the Commission that Regulations ought to have been prepared before the Act came into operation. The Commission is of the view that these Regulations should be made subject to negative rather than by affirmative resolution. The process by way of negative resolution will take a shorter period for them to be passed in Parliament. One ought to bear in mind that Regulations are essential for the smooth operation of proceedings to be carried out under the Act. They codify operational processes, practices and procedures in respect of matters such as the filing of Statutory Declaration of Assets and Liabilities for parliamentarians and public officials and the day to day operation of the Commission.
- **The Third Schedule** - In light of instances of actual, potential or perceived conflicts of interest and nepotism, it will be recommended that the Third Schedule of the Statutory Declaration should be amended to add a "Part A(2)" to accommodate declarations in relation to registrable interests which may present a conflict of interest with duties as a public official.
- The Commission also intends to amend the **Third Schedule** to incorporate Trust Assets held for the benefit of a Declarant or assets settled in Trust by a Declarant.
- Other minor amendments to the forms in the **Third and Fourth Schedules** are also required.

Conclusion

If we are serious about fighting corruption, it is the view of the Commission that special 'Corruption Courts' should be established to adjudicate upon all corruption related offences. Parish Courts are already overburdened and have serious backlogs of cases.

In a bid to ensure greater efficiency and effectiveness in the Commission's operations, a major computerization project is under consideration. Upgrading and synchronizing the Commission's in-house

operational and service infrastructure, through a strategy that seeks to promote a paperless working environment, will bring additional benefits to its operations and services. The immediate impact will be in terms of better management of time and resources, as well as record-keeping.

The Commission is continuously seeking to contribute to the promotion of probity, integrity and accountability in public life within the parameters set by Parliament and invites the cooperation of all in this regard. I reiterate that the war against corruption is the responsibility of every individual, whatever his or her station in life.

I thank the management and staff for a job well done during this first year. They have all performed with great efficiency in the service of the Commission.

Finally, I wish to express my deep gratitude and appreciation to each Member of the Commission which I have the honour to lead. They have given their unstinting support and whole-hearted commitment to the work of the Commission during this past year.

Chairman

The Honourable Mr. Justice (Ret'd.) Karl S Harrison, CD

The Executive Director's Remarks

The Integrity Commission Act, 2017, was formally brought into operation on February 22, 2018, by notice published in the Gazette. As such, it is with great honour and privilege that I have been afforded the opportunity to serve this new Commission in its first year of operation as the interim Executive Director

Given the emergent state of the Commission, which seeks to combine and improve upon the operations of three legacy agencies, through one umbrella legislation, this initial year of operations has been focused on strategic organizational re-alignment, and transformation, with a view to creating a framework upon which to effectively and efficiently discharge our functions under the Integrity Commission Act.

With every emerging organization, there are challenges. However, the management apparatus and support staff, as well as, stakeholders of the IC have defied the odds and have made tremendous contributions to the Commission for the past year.

To aid in the facilitation of the transition process for the merger of the legacy agencies, three (3) interim Directors were appointed to head the Investigations, Information & Complaints, and the Corruption Prosecutions Divisions of the Commission. The interim Directors were previously the Head of Entity for each of the respective legacy agencies - an approach which led to the continuity of operations throughout the entire organization.

In a deliberate quest to position the Integrity Commission on a strategic pathway, and to ensure a seamless transition, the Board of Commissioners, from the very outset, sought to, and successfully engaged, a Consultant to undertake a strategic review of the Integrity Commission, which emanated from the merger of the following three (3) legacy agencies, namely:

1. The Office of the Contractor General (OCG);
2. The Commission for the Prevention of Corruption (CPC); and
3. The Integrity Commission (of Parliamentarians).

One of the key deliverables contained in the Terms of Reference, which was formulated for the engagement of the Consultant, was for the development of a proposed organization structure and chart, to support the IC's strategic management and operational functions. This deliverable was completed, and agreed on, within the reporting period and has formed the basis upon which the Commission has engaged numerous critical stakeholders with a view to finalizing its new staff structure.

Further, it was agreed that whilst the Integrity Commission would continue to perform certain applicable and mandated functions, in keeping with the functions under the Act, the new strategy of the Commission represents a new paradigm, which will facilitate robust internal and external transformation, increased focus on proactive interventions, greater collaboration with other anti-corruption organizations, the international donor community and civil society. This idea was developed in keeping with the new organization strategy and is aligned to Section 6(1) of the Integrity Commission Act.

As the Commission continues its transformation efforts, it has embraced the integration of Information Communication Technology into its business processes and will continue to do so as it modernizes the way in which our declarants, public bodies and employees interface with the many facets of the Commissions operational activities.

Based on empirical evidence, the Integrity Commission has realized that public relations and communications is a very powerful tool, which is integral to the success of anti-corruption strategy. Against this background, the Commission has developed a comprehensive draft Communications Strategy, which when finalized, will allow for a more effective interaction between the Commission and its stakeholders.

As the Commission seeks to make an indelible impression on our society, and in recognition of the important role which youth around the world play in the fight against corruption, the Commission will, in short order, commence several anti-corruption initiatives that will incorporate various segments of the youth population. This decision is buttressed by the ethos that *“Many young people have the desire and capacity to transform the world and they have a potential to positively affect future anti-corruption efforts. As the new generation of politicians, entrepreneurs and civil society actors, they have an important role to play in bringing a new culture of integrity to all levels of the society, but they are also the most vulnerable. Therefore, they should be taught how to effectively detect, prevent and fight corruption.”*¹

Along with the Integrity Commission’s intended anti-corruption activities, the Commission will also be forging greater partnerships to facilitate capacity building and development of its staff members, legislative amendments as appropriate and the adoption of international best practices relating to the prevention, detection and prosecution of corruption.

As envisioned by the current governance and management apparatus of the Commission, the Office of the Executive Director intends, and commits to ensuring that the Commission develops and implement programmes which will allow for the realization of the following goals:

¹ Parliamentary Assembly, Council of Europe

- Encourage and promote propriety and integrity among persons exercising public functions in Jamaica;
- Promote and strengthen measures for the prevention, detection, investigation and prosecution of acts of corruption;
- Ensure that government contracts are awarded, varied, renewed or terminated impartially, on merit and in a financially prudent manner; and
- Enhanced public confidence that acts of corruption and impropriety committed by persons exercising public functions will be appropriately investigated and dealt with in a manner which achieves transparency, accountability and fairness.

Given the enormous mandate of the Integrity Commission, and the challenges which continue to impede the operations of the Commission, the Directors recognize that time is of the essence and as such recommit to ensuring that the functions of the Commission are effectively implemented.

Col. Daniel Pryce

Executive Director (Interim)

DIVISIONAL REPORTS

INFORMATION AND COMPLAINTS DIVISION

Section 32(1) of the Integrity Commission Act details the functions of the Director of Information and Complaints which leads the Information and Complaints Division of the Commission. The referenced section provides as follows:

“The Director of Information and Complaints shall-

- a) receive, keep on record and examine all statutory declarations filed with the Commission;*
- b) make such enquiries as he considers necessary in order to certify or determine the accuracy of a statutory declaration;*
- c) receive and keep proper record of any complaint or information or notification in relation to any or all of the following matters:*
 - (i) any allegation which involves or may involve an act of corruption;*
 - (ii) any allegation regarding impropriety or irregularity with respect to the award, implementation or termination of a government contract or the grant, issue, suspension or revocation of a prescribed licence;*
 - (iii) any allegation in respect of non-compliance with any of the provisions of the Act;*
- d) refer to the appropriate Director, any complaint or information or notification received under paragraph (c), or any other matter which he considers appropriate for action;*
- e) submit to the Executive Director, quarterly reports on the activities of the Division; and*
- f) perform such other functions as may be assigned to him by or under this Act or any other enactment.”*

COMMITTEE OF THE INFORMATION AND COMPLAINTS DIVISION

Pursuant to Section 25 of the Integrity Commission Act, 2017, a Committee of this Division was established. The Committee is comprised of three (3) members of the Commission and the Executive Director.

The objectives of this Committee are as follows:

- (i) to monitor the operations of the Division;
- (ii) to review all the reports of the Division and decide on the necessary action that should be taken;
- (iii) to make the necessary recommendations as appropriate.

COMMITTEE MEETINGS

During the period the Committee held six (6) meetings where crucial matters were discussed or decisions taken.

Certain of the issues which arose for deliberation included the following:

- (a) the matter of electronic filing of statutory declarations;
- (b) clearing the backlog of statutory declarations not yet posted to the electronic database;
- (c) identifying weaknesses in the Act which necessitate urgent amendments or which would warrant instituting the Regulations to the Act; and
- (d) reviewing statutory declarations, net worth statements, and identifying resultant breaches in the Act.

UNITS AND STAFF STRUCTURE

The Information and Complaints Division has three (3) units; these are as follows:

(a) Records and Data Management Unit

The unit is comprised of four (4) persons who conduct the duties of data entry officers as well as registration officers.

This unit has the responsibility to collect statutory declarations and to enter the information from the individual declarations to the database. These functions are executed by all officers.

At current, and in the absence of the new organizational structure, the unit is under-staffed as evidenced by the chronic backlog of the posting of statutory declarations to the database. The unit has obtained assistance from the HEART Trust/NTA through their trainees who are facilitated by the Commission for 'work experience' periodically.

Status Letters are also processed in this unit. A Status Letter is an official document from the Commission outlining an individual's status as it relates to the filing of Statutory Declarations. It includes the Declarant's name, the period(s) for which they have filed, and the date of filing in each instance. An indication is also made if the Declarant is outstanding for any period. For the period January 2, to March 31, 2019 approximately three hundred (300) status letters were processed by this Division.

(b) **Examination Unit**

Currently, the unit is staffed by two officers, namely; a Financial Analyst and an Examination Officer. One of the officers conducts duties as both an examination officer and as a financial analyst.

The unit examines all statutory declarations. If upon examination additional information is required, the officer would write to the declarant and request the necessary information. The declarant is usually given approximately one (1) month within which to respond.

When the examination is complete, a net worth statement is prepared. This is reviewed and the movement in the net worth is compared with that for the previous period(s) (if applicable). This is then compared with the income declared and the necessary decision taken.

(c) **Financial Analysis Unit**

There are currently three (3) Financial Analysts in this unit.

The unit is charged with ensuring that the declarations are reviewed, net worth statements are prepared, analyzed and if necessary more detailed investigations would be conducted. Based on the outcome of the analysts review, this matter is then referred to the Committee where if in their estimation there are reasons to be concerned the matter is then referred to the relevant Division for further action.

STATUTORY DECLARATION

Section 39(1) of the Integrity Commission Act, 2017 requires that, every person who on or after the appointed day, is a parliamentarian or public official, shall submit to the Director of Information and Complaints, a statutory declaration of his assets, liabilities, and income in the form set out in the Third Schedule.

This report encompasses statutory declarations due for the year 2018.

The particulars of the Statutory Declarations due for both Parliamentarians and Public Officers are detailed in the respective tables hereunder:

PARLIAMENTARIANS**TABLE 1**

Description	Declaration Date	Deadline for Submission	Number of Statutory Declarations Due
Members of Parliament (Sitting) 2018	December 31, 2018	March 31, 2019	62
Senators (Sitting 2018)	December 31, 2018	March 31, 2019	21
Member of Parliament (Resignation at January 2018)	December 31, 2018	March 31, 2019	1
Member of Parliament (Elected March 5, 2018)	March 5, 2018	June 5, 2018	1
Ex-Parliamentarians as at June 29, 2017	June 29, 2018	September 29, 2018	2
Total Statutory Declarations to be furnished for 2018			87

STATUTORY DECLARATIONS FILED**TABLE 2**

Number of Declaration Due	Declaration Date	Early Submissions	Late Submissions	Outstanding
Member of Parliament - One (1) Statutory Declaration	March 5, 2018	1	0	0
Ex-Parliamentarians as at June 29, 2017 – Two (2) Statutory Declarations	June 29, 2018	1	1	0
Members of Parliament - Sixty-Three (63) Statutory Declarations [Less One Deceased] = 62	December 31, 2018	53	9	0
Senators - Twenty-One (21) Statutory Declarations	December 31, 2018	14	7	0
Member of Parliament (Resignation at January 15, 2018)	December 31, 2018	0	0	1
Total Statutory Declarations		69	17	1

For the period under review, substantial improvements were noted in the submission of statutory declarations by Parliamentarians. At the date of this report, only one statutory declaration remained outstanding.

PUBLIC OFFICIALS

As at March 31, 2019, approximately twenty nine thousand (29,000) declarations were due from Public Officials. A Public Official as defined by the Integrity Commission Act means any person holding an executive, an administrative or a judicial office or a parliamentarian; or any other person employed to a public body as well as any member of the Security Forces, that is, a Member of the Jamaica Constabulary Force, a Member of the Jamaica Defence Force and the Rural Police. The Commission is in receipt of thirteen thousand, seven hundred (13,700) statutory declarations as at the aforementioned date or approximately 47.24% of the required statutory declarations. The referenced figure does not include statistics for Parliamentarians which are detailed in Tables 1 and 2 above.

EXAMINATION OF STATUTORY DECLARATIONS

(a) PARLIAMENTARIANS

The majority of the statutory declarations for the year 2018 were submitted during the month of March 2019. Up to the date of this report thirty-six (36) statutory declarations were examined; eight (8) of these did not necessitate any additional queries, as all the information required was received.

(b) PUBLIC OFFICERS

The examination of statutory declarations for public officers has not commenced as due to the chronic staff shortage the posting of the data from the declarations to the computer database has not been completed.

It is anticipated that in the near future a robust strategy will be employed to alleviate the backlog that is being experienced.

SENSITIZATION SESSIONS

The Integrity Commission, during the period January to March 2019 conducted fourteen (14) sensitization sessions at various departments/agencies. These sessions targeted persons who were required to file statutory declarations and were deemed critically important given the change in legislation and the prescribed form which is to be submitted by all declarants.

During the sensitization sessions, persons were advised of their obligations under the Act and how to accurately complete the revised declaration form.

The feedback obtained from the entities visited was very encouraging. Other entities have requested that the Integrity Commission continue these sessions throughout the year, in order that persons may be more aware of the rationale for filing statutory declarations.

FINANCIAL ANALYSTS

For the period under review thirteen (13) files for public officers were examined and reviewed; six (6) of these were presented to the Information and Complaints Committee. Four (4) of these were referred for further review/analysis while the others have been reviewed and are scheduled to be presented to the Committee shortly.

COMPLAINTS

Any person may make a complaint or give information, whether orally or in writing to the Commission about a matter which involves corruption or non-compliance with the Act.

Section 32(1)(c) of the Integrity Commission Act, 2017 addresses the issue of the receipt and keeping proper record of complaint, information or notification in relation to any allegations of corruption that is made by anyone. It is important to note that Section 37 of the Integrity Commission Act provides that the Act does not limit to whom a complaint can be made about any matter referred to therein.

During the period under review thirty-two (32) complaints were directly received by the Division. These were directed to the relevant Division for action in accordance with the Act.

RECOMMENDATIONS

- It is recommended that prior to the completion of training for the recruits at the Jamaica Defence Force (JDF) and Jamaica Constabulary Force (JCF), officers of the Integrity Commission visit the training locations to conduct sensitization sessions in an effort to make these recruits cognizant of their statutory requirements with the Integrity Commission.
- The Regulations are urgently needed; as this process would facilitate the inclusion of more public officials, who are holders of 'high risk' posts within Ministries/Departments/Agencies, to file statutory declarations.

INVESTIGATIONS DIVISION

The Investigations Division is comprised of four operational units, which execute the various functions of the Director of Investigations as prescribed by Sections 33, 45, 47, 48,49, 51, 52 and 54(1)-(3) of the Integrity Commissions Act, 2017. The Division is mandated to investigate any allegation relating to non-compliance with the provisions of the Integrity Commission Act; to monitor and investigate the award, implementation and revocation, of government contracts, licences and permits; and to conduct investigations involving acts of corruption and statutory declarations of Parliamentarians and Public Officials.

The four operational units within the Division are as follows:

1. Non-Construction Contracts Inspectorate
2. Construction Contracts Inspectorate
3. Special Investigations Unit
4. Financial Investigations Unit

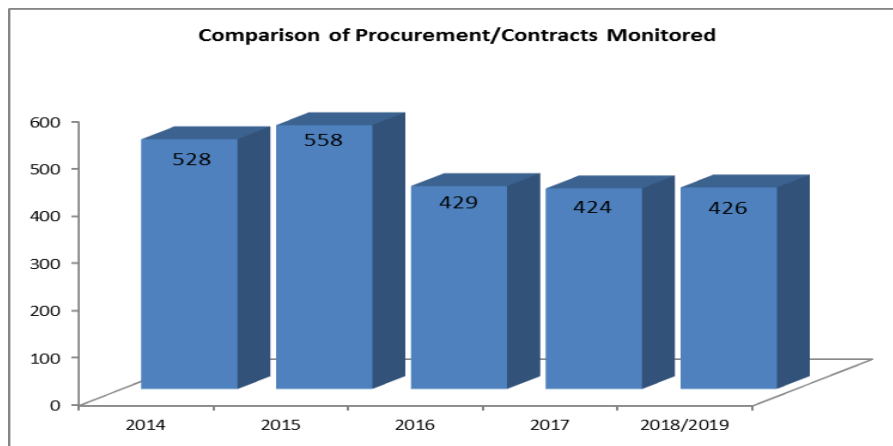
In summary, the Division through its officers monitored approximately 950 government contracts on a sustained basis, concluded five (5) major investigations related to government contracts and one (1) financial investigation, whilst simultaneously continuing work on other related matters. Officers from the Division were also involved in major court cases in respect of breaches of the Contractor General Act and the Corruption Prevention Act originating from as early as 2011.

Details of the performance of the respective units for the reporting period are contained under the respective headings throughout this report.

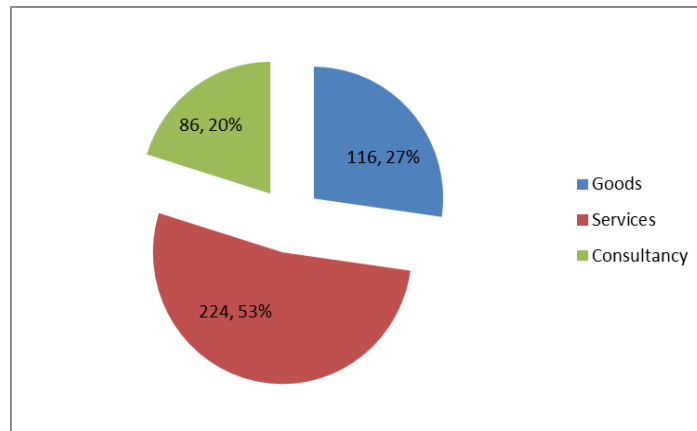
NON-CONSTRUCTION CONTRACTS INSPECTORATE

The Non-Construction Contracts (NCC) Inspectorate, pursuant to Sections 6(1)(f) and 51 of the Integrity Commission Act, 2017, monitors the award, implementation and termination of goods and services contracts. During the course of the Division's monitoring activities, Inspectors are expected to attend, where required, Tender Opening Ceremonies, Meetings and to conduct verification of procured items. Notably, the Government of Jamaica has embarked upon Electronic Procurement tendering, and as such, has eliminated the requirement for Inspectors to physically attend Tender Opening Ceremonies in these instances.

The unit monitored four hundred and twenty six (426) procurement opportunities/contracts during the period February 22, 2018 to March 31, 2019. The number of projects monitored during the period was approximately the same as during the 2017 reporting period. The value of the contracts monitored, which were at various stages of the procurement process, totalled approximately Fifty Billion Jamaican dollars (J\$50B).



The majority of the contracts, fifty three percent (53%), which were monitored by the unit over the period, were service related such as security and janitorial services. The Inspectorate monitored one hundred and sixteen (116) goods type contracts, which were comprised of, among other things, procurement of furniture, motor vehicles, computers, etc. Consultancy type contracts represented twenty percent (20%) of the projects monitored and included, consultancies related to the provision of construction related services, and Information Technology solutions.



During the period to which this report relates, Inspectors within the unit were assigned one hundred and sixteen (116) new procurement opportunities for monitoring. The remaining seventy three percent (73%) of projects were carried forward from previous year(s). Eighty three (83) of the projects which were being monitored were either concluded or aborted during the year.

REVIEW OF PORTFOLIOS UNDER THE NCC INSPECTORATE

In addition to its monitoring of goods and services contracts, the NCC Unit also monitors the divestment of government owned assets, including land, and also manages the Commission's Enquiry Management Portfolio (EMR), through which the majority of the complaints which are received by the Commission are channelled. The Division also administers the Quarterly Contracts Award (QCA) portfolio, through which Procuring Entities report details of contracts awarded in excess of five hundred thousand Jamaican dollars (J\$500,000) on a quarterly basis.

This Section provides a brief overview of the Portfolios managed by the Unit during the period under review.

- **ASSET DIVESTMENT & PUBLIC PRIVATE PARTNERSHIP**

The Commission, during the period February 22, 2018 to March 31, 2019, continued its monitoring of certain Asset Divestment and Public Private Partnership (PPP) transactions which were being undertaken by the Government of Jamaica. A total of thirty-two (32) Asset Divestment and PPP projects were actively monitored, inclusive of three (3) projects which were assigned during the period under review.

The Commission continues to maintain relations with divesting entities, such as the Development Bank of Jamaica (DBJ) and the Tourism Product Development Corporation (TPDCo.) which facilitated ease of transfer of the requisite project information, and the accommodation of site visits where required.

- **LAND DIVESTMENT**

The Commission continued its monitoring of the divestment of Government-owned lands for the 2018/2019 reporting period in accordance with the Policy Framework and Procedures Manual for the Divestment of Government-Owned Lands 2015.

A total of eighty-three (83) GOJ land divestment processes were monitored by the Unit, inclusive of a number of divestments which were re-advertised. The Unit commenced monitoring of ten (10) new divestment opportunities during the period. The issue of unsuccessful divestments remained a major point to note as there were still divestments awaiting re-advertisements due to a lack of offers.

The Unit also focused its attention on lands which were being divested through the Land Divestment Advisory Committee and SCJ Holdings Limited. The particulars of same are detailed below.

The Land Divestment Advisory Committee (LDAC)

The Land Divestment Advisory Committee (LDAC) plays an advisory role to the Minister of Economic Growth and Job Creation, in relation to the divestment of government-owned lands. The Committee is ably supported by the Land Administration and Management Division, within the Ministry of Economic Growth and Job Creation.

The LDAC is comprised of fourteen (14) members drawn from the Public and Private Sectors, including a Chairman. Committee members are appointed by the portfolio Minister, for a period not exceeding three (3) years. The Chairman of the Committee is Mr. Alexander Williams, Attorney-at-Law. The tenure of the current Committee commenced on May 16, 2016. A representative from the Integrity Commission sits in on the meetings of the LDAC in the capacity of an Observer.

Twelve (12) meetings were convened by the LDAC for the period January 1, 2018 to March 31, 2019 for the review and recommendation of Applications. The Integrity Commission representative attended eight (8) of those meetings.

The National Land Agency (NLA), under the leadership of the Commissioner of Lands, is tasked with performing the necessary due diligence in relation to the processing of Applications, prior to submitting them to the Committee for deliberation. The NLA is to be commended for its efforts, as should the Secretariat for the LDAC for the duties performed and the support extended to the Committee.

The Tables below illustrate the Approvals by the Honourable Minister for Sale and Lease by Land Use and Value for Calendar year 2018 and January 2019-March 31, 2019:

Lands Approved for SALE – 2018 Calendar Year

Land Use	No. of Applications	Value (J\$)
Residential	60	145,581,000
Agricultural	4	5,975,000
Commercial/Industrial	6	41,370,000
Institutional	1	1,050,000
Other (Educational, Recreational, Religious, Easement and Community Development)	1	500,000
TOTAL	72	194,476,000

Lands Approved for Sale – January 2019 - March 2019

Land Use	No. of Applications	Value (J\$)
Residential	18	18,755,000
Agricultural	1	1,000,000
Commercial/Industrial	1	2,000,000
Institutional	1	1,200,000
Other (Educational, Recreational, Religious, Easement and Community Development)	0	0
TOTAL	21	22,955,000

Lands Approved for LEASE – 2018 Calendar Year

Land Use	No. of Applications	Value (J\$)
Residential	0	0
Agricultural	8	1,719,000
Commercial/Industrial	18	14,843,000
Institutional	3	211,000
Other (Educational, Recreational, Religious, Easement and Community Development)	0	0
TOTAL	29	16,773,000

Lands Approved for LEASE – January 2019 - March 2019

Land Use	No. of Applications	Value (J\$)
Residential	0	0
Agricultural	1	200,000
Commercial/Industrial	3	1,296,000
Institutional	0	0
Other (Educational, Recreational, Religious, Easement and Community Development)	1	36,000
TOTAL	5	1,532,000

SCJ Holding Limited Land Divestment and Monitoring Committee Meeting

The SCJ Holdings Limited (SCJH) is a company which is wholly owned by the Government of Jamaica. The SCJH manages sugar lands owned by the Government of Jamaica. The SCJH is tasked with putting its land assets to use by attracting investors in areas such as mining, housing and agriculture. Proposals that are received by the company are submitted to its Land Divestment and Monitoring Committee for review and approval. A representative from the Integrity Commission also attends these meetings as an Observer. For the reporting period February 22, 2018 to March 31, 2019, the Commission was represented at four (4) Land Divestment and Monitoring Committee Meetings.

- **ENQUIRY MANAGEMENT**

During the period February 22, 2018 to March 31, 2019 the Integrity Commission was in receipt of sixty-five (65) new matters/complaints involving government contracts, prescribed licences, asset divestment and matters involving reports of corrupt activities.

The table which follows represents the status of matters/complaints which were addressed during the period:

	<i>Number of matters/complaints brought forward from the previous year</i>	<i>Matters/Complaints which were received during February 22, 2018 to March 31, 2019</i>
	163	65
STATUS		
Total matters/complaints which were within the Commission's remit and were concluded		57
Matters/complaints which were referred to the Commission's Special Investigations Unit for further review		8
Matters not within the Commission's remit, vague or withdrawn		34
Enquiries which are ongoing		129

- **QUARTERLY CONTRACT AWARDS (QCA) REPORTS**

The Integrity Commission, in keeping with the provisions of Section 6(1)(f) of the Integrity Commission Act, requires Procuring Entities, on a quarterly basis, to provide particulars of contracts awarded above five hundred thousand dollars (J\$500,000.00), within one (1) calendar month following the ending of the quarter to which they relate. Approximately one hundred and ninety seven (197) Public Bodies are requisitioned to prepare and submit Quarterly Contracts Awards (QCA) Report to the Commission.

For the period of January 2018 to March 31, 2019, the Commission recorded a 100% compliance rate for all quarters.

Contract Award Data

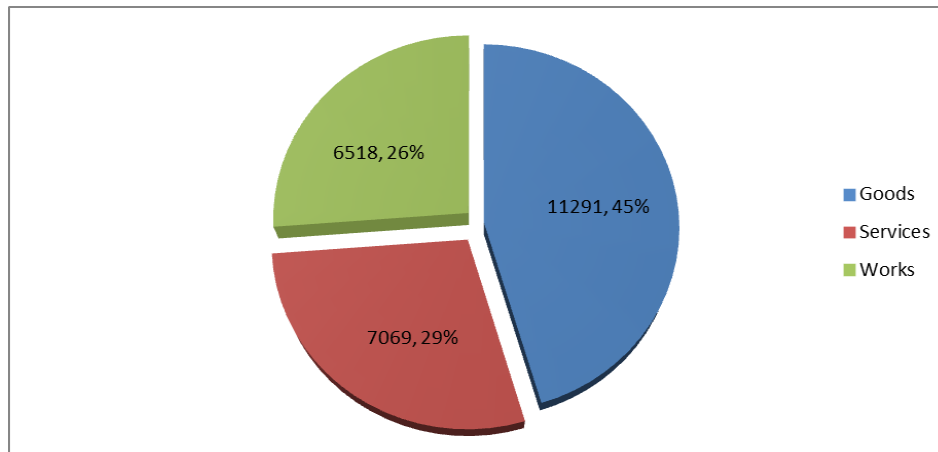
The Commission's web portal recorded a total of twenty four thousand eight hundred and seventy eight (24,878) contracts awarded for the period of January 01, 2018 through to March 31, 2019 with a total value amounting to approximately one hundred and twenty six billion Jamaican dollars (J\$125,665,609,574.00). The value of contracts for Goods and Services, inclusive of Consulting and Insurance Placement Services, was approximately ninety eight billion Jamaica dollars (\$97,694,479,384.00) while the value of Works contracts was approximately twenty eight billion Jamaican dollars (\$27,971,130,189.00). The majority of the contracts reported were Goods, representing 45% of awards; followed by Services being 29% and Works 26%.

Summaries of the information collated are represented below:

Summary of Contracts Awarded

Quarter Jan 2018-Mar 2019	Total # of Contracts Awarded	Total Value Goods Contracts	Total Value of Service Contracts	Value of Works Contracts	Total Value of Contracts
Q1	4,871	\$16,990,832,761	\$4,140,391,132	\$5,311,253,584	\$26,442,477,477
Q2	4,451	\$8,602,748,015	\$5,468,715,306	\$5,331,639,970	\$19,403,103,291
Q3	4,608	\$16,563,416,205	\$4,410,777,118	\$4,320,699,879	\$25,294,893,202
Q4	5,716	\$11,958,437,669	\$4,556,951,701	\$4,923,618,085	\$21,439,007,455
Q1	5,232	\$19,230,904,838	\$5,771,304,639	\$8,083,918,672	\$33,086,128,149
Total	24,878	\$73,346,339,448	\$24,348,139,896	\$27,971,130,190	\$125,665,609,574

Number of Goods, Works and Services Contracts Awarded



CONSTRUCTION CONTRACTS UNIT

The Construction Contracts Inspectorate (CCI) monitors the implementation of Government Construction Contracts/Projects. It also provides support services to the various Departments of the Organization as required.

The categories of projects that are monitored include Infrastructure, Housing, Mechanical and Electrical contracts/projects being implemented by various Government of Jamaica (GOJ) Departments, Agencies or any authorized personnel acting on behalf of the GOJ. Additionally, the unit provides advice on procurement matters to these Entities.

Monitoring of a project may commence at the pre or post contract phase. Generally, however, it commences when GOJ Entities place Advertisements in the various news media after which an Inspector is assigned to monitor the project until final completion. On average, each Inspector monitors approximately 100 projects.

The monitoring process includes the attendance of CCI representatives at tender openings, site meetings/visits and the compiling of respective reports. If an issue is identified during the pre or post contract phase of a project, the procuring Entity is engaged on the matter either verbally or by way of a formal letter in order for a resolution to be found at the earliest stage of the process, in keeping with the applicable procurement and contract rules.

Monitoring of Construction Contracts

During the period February 22, 2018 to March 31, 2019, the Construction Contracts Inspectorate monitored the Pre and/or Post Contract phases of five hundred and thirty three (533) contracts. The cumulative value of the construction contracts that were monitored was J\$26,945,869,375.30 and US\$185,181,790.24, respectively.

During the same period the Construction Inspectors attended eight (8) Tender Openings and made a total of two hundred and eighteen (218) Site Visits.

The Construction Contracts Inspectors attended two hundred and seventy one (271) Site Meetings and were involved in the monitoring of sixty nine (69) Practical Completion Inspections.

The table overleaf details the statistics related to the performance and activities of the unit for the reporting period.

Construction Contracts Unit Performance

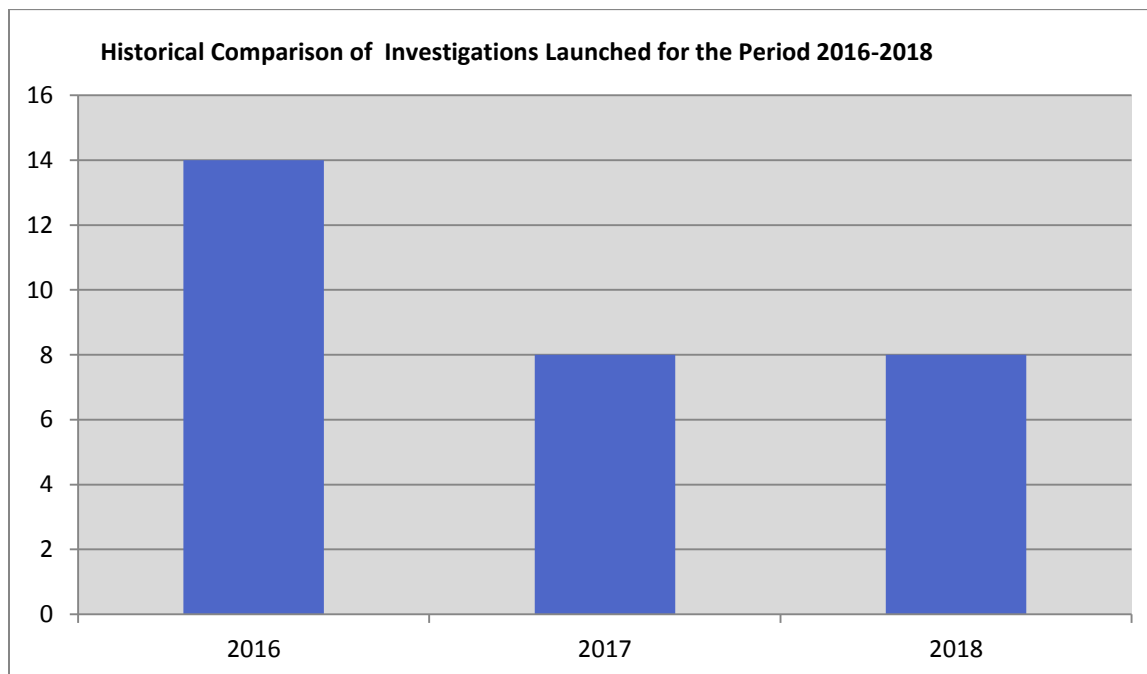
Data Feb.22, 2018 – March 31, 2019	
	Total
Number of Projects monitored	533
Number of Tender Openings attended	8
Number of Site meetings attended	271
Number of site visits attended	218
Number of Practical Completion inspection attended	69
Cumulative Value of Jamaican Dollar (JMD\$) denominated Construction Contracts monitored	26,945,869,375.30
Cumulative Value of Construction United States Dollar (USD \$) denominated Contracts monitored	185,181,790.24

SPECIAL INVESTIGATIONS UNIT

The Special Investigations Unit has, as its core function, the responsibility to investigate alleged or suspected acts of corruption and instances of non-compliance with the provisions of the Act, to include allegations of impropriety, corruption and/or irregularity, in the award of Government contracts, licences and permits, pursuant to Sections 6(1)(a) and 33 of the Integrity Commission Act.

Matters Referred for Investigation

During the 2018 calendar year, a total of eight (8) matters were referred to the Integrity Commission for the commencement of Special Investigations. The matters related to, *inter alia*, allegations of (a) corruption, nepotism and cronyism in the award of Government contracts, (b) Irregularities and improprieties in the award of GOJ contracts and procurement activities of certain Municipal Corporations, Constituency Offices, a public educational facility, and other state-owned and operated entities; and (c) fraud and impropriety in the purported registration of a GOJ contractor. Investigations were launched by the then Contractor General and/or the Director of Investigation pursuant to Sections 15 and 16 of the then Contractor General Act (1983) and Section 33 of the Integrity Commission Act, as applicable.



Investigations Completed for the 2018/2019 Financial Year

Seven (7) of the eight (8) Investigations which commenced during the reporting period are still on going and are at various stages of the investigative process. The investigative process and report dealing with matters concerning Petrojam Limited has been completed and is being forwarded to the Director of Corruption Prosecution pursuant to Section 54 of the Integrity Commission Act.

A total of five (5) Investigation Reports were completed for the period and were laid before both Houses of Parliament, in keeping with the mandatory requirements of Sections 21 and 28 of the then applicable Contractor General Act.

The aforementioned Investigation Reports were also uploaded to the websites of the legacy OCG and the Integrity Commission.

The five (5) published Reports of Investigation which were submitted to the Houses of Parliament are as follows:

1. Special Report of Investigation conducted into the Sale of Lands Situated at Bogue Estate by the St. James Parish Council;
2. Special Report of Investigation conducted into the Allegations regarding the Removal of Aluminium Water Tank located at Top Crawle, Riversdale, St. Catherine;
3. Special Report of Investigation conducted into alleged acts of irregularity and impropriety surrounding the submission of 'Forged' National Contracts Commission (NCC) Registration letter by Orchard Solutions Limited;
4. Special Report of Investigation conducted into the circumstances surrounding allegations of impropriety, irregularity and bias concerning Petrojam Limited 2017 Tender for Insurance Services; and
5. Special Report of Investigation conducted into complaint regarding the issuance of a Lobster Fishery Licences to a family member of a then Government Minister.

The following table indicates the average time for the completion of Investigations which were completed during the 2018 reporting period:

NO.	Investigation	Commencement Date	Date of Publication
1.	Sale of Lands Situated at Bogue Estate	November 2013	December 2018
2.	Removal of Aluminium Water Tank located at Top Crawle	April 2015	December 2018
3.	Forged' National Contracts Commission (NCC) Registration letter by Orchard Solutions Limited	April 2016	December 2018
4.	Petrojam Limited 2017 Tender for Insurance Services	March 2017	December 2018
5.	Lobster Fishery Licences to a family member of a then Government Minister	July 2011	January 2019

Recommendations Made by the Commission Pursuant to the Conduct of Special Investigations

The following represents some of the key Recommendations which were made, during the period under review:

NO.	Investigation	Recommendation
1	Lobster Fishery Licences to a family member of a then Government Minister.	<p>1. The Ministry of Agriculture & Fisheries and in particular, the Fisheries Division, if it has not already done so, consider the introduction and/or design of an objective evaluation and award criteria for the award of Lobster Fishing Licences during the lobster fishing seasons. Further, the Ministry of Agriculture & Fisheries should, respectfully, ensure that it has a uniformed application process and cut-off date for the receipt of applications for lobster fishing licences.</p> <p>2. Given the apparent disparity and/or nuances between the advertisement which was published inviting applicants to submit applications for the 2011/2012 lobster fishing season, it was recommended that, for future reference, that the Ministry of Agriculture & Fisheries should ensure that there is one approved and agreed upon set or criteria and/or conditions which are conveyed to prospective applicants. In instances in which there are exceptions to a stated policy position and/or requirement, it was</p>

NO.	Investigation	Recommendation
		<p>recommended, in the interest of transparency, that all stakeholders are advised of same.</p> <p>3. It was recommended that the Ministry of Agriculture & Fisheries implement and standardize its licence application and document management system to ensure that the date of receipt, application particulars and processing status of each lobster licence application is subject to stringent checks and balances which can be validated via appropriate documentation and internal controls.</p> <p>4. It was recommended for future reference that declarations should be made by persons involved in and/or associated with the grant of the licence(s) regarding any interests and/or relations which could bring the licence award process into disrepute.</p>
2.	Petrojam Limited 2017 Tender for Insurance Services	<p>1. It was strongly recommended that Procuring Entities should scrupulously adhere to the GOJ Procurement Guidelines and Regulations in the award of government contracts. In particular, that Petrojam Ltd. abides by the provisions of Section 1, Volume 4 of the GOJ Handbook of Public Sector Procurement Procedures: "Tenders received should be kept under the strictest control to ensure that the utmost confidentiality is maintained. The contents of tenders should not be disclosed to any unauthorized person."</p> <p>2. In circumstances where Petrojam Ltd. and/or other Procuring Entity has identified that there is a breach of any applicable laws, regulations or guidelines, such as in the case of Longdown EIC, the Procuring Entity should seek to remedy the said breach in an expeditious and effective manner as opposed to continuing with the implementation of the project in violation of the said applicable laws, regulations or guidelines.</p> <p>3. A procurement workshops be undertaken with Petrojam Ltd. and entities with which it engages for procurement related services, to reinforce the requirements of the GOJ Procurement Guidelines and Regulations in the award of government contracts, particularly those for the provision of insurance services.</p>
3.	'Forged' National Contracts Commission (NCC) Registration letter by Orchard Solutions Limited	<p>1. In keeping with Section 1.3.2 of the Government of Jamaica Handbook of Public Sector Procurement Procedures, it was recommended that Orchard Solutions Limited be suspended or barred from participation in future Government of Jamaica procurement opportunities, pursuant to the consideration of the NCC. Further, Contractors were reminded of Section 1.3.2, Volume 2 of the Government of Jamaica Handbook of Public Sector Procurement Procedures, which provides information pertaining to following: "DEBARMENT, SUSPENSION AND INELIGIBILITY A contractor may be disqualified and/or stricken from the NCC Register of Public Sector Contractors without liability to GoJ, if it is found at any time, that the information submitted concerning his/her qualifications was deliberately falsified. Procuring</p>

NO.	Investigation	Recommendation
		<p>Entities should, therefore, report any such findings to the NCC promptly, along with any evidence substantiating the falsification. Contractors may also be disqualified, suspended, or stricken from the NCC Register without liability to GOJ, for reasons of poor performance.”</p> <p>2. It was recommended that all public bodies develop the practice of verifying the NCC registration of all prospective contractors. This recommendation was considered to be absolutely important as there is no latitude for Contractors who provide false information or misrepresent information in the public procurement process. In this regard, Petrojam Limited was commended for taking the initiative to independently verify the authenticity of the NCC Registration letter as well as to ensure compliance with the required NCC category. If this verification exercise was not conducted, the discrepancy, in relation to the status of Orchard Solutions Limited’s registration with the NCC may not have been identified.</p> <p>3. In keeping with the findings and conclusions, relating to, inter alia, the forged NCC Registration letter. It was recommended that the matter be referred to the Fraud Squad Division of the Jamaica Constabulary Force (JCF) to undertake further investigation and any other action, which may be deemed appropriate. This recommendation was made on the basis that Orchard Solutions Limited, prima facie, submitted a forged NCC Registration letter to Petrojam Ltd. in response to a Request for Quotation for the provision of Street & Flood Lamps Fixtures, in contravention of Sections 5 and 9 of the Forgery Act.</p>
4.	Removal of Aluminum Water Tank located at Top Crawl	<p>1. Having regard to the crucial mandate and core functions of the NWC and the Municipal Corporations (formerly Parish Councils) it was recommended that both agencies develop strategies necessary to ensure inter-agency collaboration and to facilitate infrastructural development, especially at the community level.</p> <p>2. It was recommended that Municipal Corporations adopt a stringent due diligence process that would inform its decisions as they relate to the repairs and/or removal of assets owned by the NWC and/or any other agencies to which the Corporation is desirous of executing works, especially where the approvals of other agencies are necessary.</p> <p>3. As it relates to the allocation of funds for specified purposes, it was recommended that public entities responsible for the execution of procurement related activities, enter into the necessary contractual arrangements in order to ensure prudent financial management.</p> <p>4. As it relates to the illegal connections which had been detected by the NWC to its main, it was recommended that the NWC continue its due diligence in monitoring the project in relation to this illegal activity.</p>

NO.	Investigation	Recommendation
5.	Sale of Lands Situated at Bogue Estate	<p>1. It was stated that where there is a likely opportunity to maximise the potential gains from the sale of a State asset, due care and diligence must be exercised in an objective, open and transparent manner by the divesting entity to ensure that this is undertaken. Accordingly, it was recommended that when Public Bodies are divesting State assets, a thorough analysis of the value of the asset and of all of the factors which are likely to impact the possible proceeds of its sale, should be considered so as to ensure the realization of maximum gains. In this regard, it was strongly recommended that the subject lands be sold based on current market value.</p> <p>2. It was recommended that the St. James Parish Council utilize a current valuation in determining the sale price for the subject lands at Bogue, and as the Council seeks to regularize the current illegal occupation of the mentioned lands. The St. James Parish Council must, therefore, undertake the necessary steps to cause a valuation of the subject lands at Bogue to be conducted, and in keeping with the provisions of Policy Framework and Procedures Manual for the Divestment of Government-Owned Lands’.</p> <p>3. It was strongly recommended that the Accounting and Accountable Officers of the St. James Parish Council ensure scrupulous compliance with the provisions of the Policy Framework and Procedures Manual for the Divestment of Government-Owned Lands’, with a view to ensuring that the sale of government lands are divested in a manner which is consistent with the full application of the stated Policy and that the requisite processes are employed to guard against unnecessary delays and to ensure, inter alia, efficacy.</p>

FINANCIAL INVESTIGATION UNIT

Investigation of Breaches of the Corruption Prevention Act (CPA) & Integrity Commission Act (ICA)

The financial investigation process involves the examination of Statutory Declarations furnished by Public Officials, building a financial profile of the declarant, the collection of evidential materials, the analysis of the gathered information and the preparation of a report.

Offences typically investigated by the Unit include:

1. The failure without reasonable cause to furnish statutory declarations – Section 43(1)(a) of the Integrity Commission Act;
2. The failure without reasonable cause to provide any information as the Director of Information and Complaints may require - Section 43(1)(b) of the Integrity Commission Act;
3. The failure without reasonable cause to attend an inquiry being conducted by the Director of Investigation - Section 43(1)(c) of the Integrity Commission Act;
4. Knowingly making a false statement in a statutory declaration - Section 43(2)(a) of the Integrity Commission Act;
5. Knowingly giving false information at an inquiry being conducted by the Director of Investigation - Section 43(2)(b) of the Integrity Commission Act;
6. Illicit Enrichment - Section 14(5) of the Corruption Prevention Act.

The total case load of the unit is four hundred and seventy six (476) cases. During the year under review one (1) financial investigation case was completed and referred to the Director of Investigations- see Table 1 overleaf.

Table 1

Employer	New Financial Investigation Cases 2018/19	Cases Closed 2018/19	Cases Referred to DPP 2018/19	Cases Referred to Other Authority, Boards, Commissions 2018/19	Financial Investigation Cases to Date	Cases Closed to Date	Cases Referred to DPP to Date	Cases Referred to Other Authority, Boards, Commissions to Date
Factories Corporation of Jamaica					2	1	1	
Financial Investigations Division					42	17	2	
Financial Services Commission					5			
Housing Agency of Jamaica					2			
Island Traffic Authority					21	12	5	2
Jamaica Constabulary Force	1				105	32	4	1
Jamaica Customs Department	2				85	34	9	1
Jamaica Defence Force		1			5	1		
Jamaica Urban Transit Company	1				11			
Kingston & St. Andrew Corporation					3	2	1	
Manchester Municipal Council	1				2			
Members of Parliament	2				2			
Ministry of Transport and Works					6	2		
National Health Fund					4	1	1	1
National Solid Waste Management Authority					3	1		
National Works Agency					33	17	3	
Other Agencies					106	2		
Passport, Immigration and Citizenship Agency					21			
Port Authority of Jamaica					9	1		
Spectrum Management Authority					5			
Tax Administration Jamaica					4			
Total	7	1	-	-	476	123	26	5

Table 2 below shows the status of the cases previously referred to the Director of Public Prosecutions which remain ongoing and involve officers with the Investigations Division.

Table 2

Period	Number of Cases Reported to DPP	Charges to be Laid	Number Taken Before the Court	Acquitted/No Charges Proffered	Outcome in Court	Fines Paid/Other	Number of Cases Awaiting DPP's Decision
2007/08	2						2
2008/09	2		2		2	\$1,300,000	
2009/10	4	1	1		1	\$300,000	2
2010/11	2	1					1
2011/12	4	1	1	1	1	\$50,000	1
2012/13	4	1	3	1	1	\$10,000	
2013/14	5	1	1				3
2014/15	1						1
2015/16	1						1
2016/17	1						1
Total	26	5	8	2	5	\$1,660,000	12

Delinquency

The investigation of delinquency involves the confirmation of the obligation and the delinquency, the collection of evidential materials, the analysis of the gathered information and the preparation of a report.

During the year under review five hundred and forty one (541) investigations commenced, see Table 3 below. To date one thousand three hundred and fifty (1,350) declarants were reported to the Director of Public Prosecutions with six hundred and ninety nine (699) persons being fined a total of eight million, eight hundred and thirty eight thousand five hundred dollars (\$8,838,500), see Table 3 overleaf.

Table 3

Employer	Delinquent Declarants being Investigated 2018/19	Delinquent Declarants Reported to the Director of Corruption Prosecution	Delinquent Declarants Taken before Court 2018/19	Fines Levied 2018/19	Delinquent Declarants Reported to DPP to Date	Delinquent Declarants Taken before Court to Date	Fines Levied to Date
Accountant General's Department					4	3	\$36,000
Bank of Jamaica					53	43	\$465,000
Firearm Licensing Authority					19	-	-
Hanover Municipal Corporation					5	3	\$30,000
Island Traffic Authority					21	19	\$149,000
Jamaica Constabulary Force	243				682	389	\$5,054,500
Jamaica Customs Agency					41	9	\$150,000
Jamaica Defence Force					76	11	\$30,000
Jamaica Social Investment Fund					4	4	\$180,000
Jamaica Urban Transit Company Limited					12	7	\$63,000
Ministry of Education, Youth and Information					87	27	\$626,000
Manchester Municipal Corporation					5	4	\$74,000
National Solid Waste Management Authority					3	1	\$19,000
National Works Agency					71	38	\$609,000
North-East Regional Health Authority					6	4	\$ 95,000
Portland Municipal Corporation					5	4	\$190,000
St. Ann Municipal Corporation					15	13	\$447,000
St. Mary Municipal Corporation					8	8	\$59,000
South East Regional Health Authority	298					-	-
University of Technology, Jamaica				-	36	10	\$ 291,000
Other Agencies					197	102	\$271,000
Total	541	-	\$ -	\$ -	1350	699	\$8,838,500

Protected Disclosures Investigations

Under the Protected Disclosures Act (2011) all employers (private and public sectors) should set up mechanisms to collect, investigate or otherwise deal with improper conduct under the Protected Disclosures Act. Procedural Guidelines have previously been issued to establish the operational

mechanism to manage the process. The persons assigned by the employers (called Designated Officers under the Act) to undertake the investigations are trained by the Commission and those receiving protected disclosures are required to make a monthly report to the Commission on the status of their investigation(s).

The Commission, as the Designated Authority, indicates that during the period under review one (1) protected disclosures case was under investigation.

CORRUPTION PROSECUTIONS DIVISION

During the 2018/2019 reporting period no prosecutions or criminal proceedings were initiated by the Division.

However, four matters were referred on February 21, 2019 to the Division, by the Director of Information and Complaints; these matters were reviewed and returned for further action to be undertaken.

Court Proceedings- Reporting year February 22, 2018 to March 31, 2019

During the reporting year, however, there was a continuation of Court matters from the previous year in accordance with Section 63 of the Integrity Commission Act, which permitted the Integrity Commission to continue matters which the legacy agencies were engaged in. The following represents a brief summary of the status of these matters:

1. **R v Shernett Haughton**: Misconduct in public office. Status Ongoing-As at the end of the reporting year March 31, 2019, the decision of the Trial Judge in the Hanover Parish Court in relation to a no case submission was pending.
2. **Ian Hayles et al v Contractor General**: Judicial Review and injunction restraining publication of Investigation Report. Status Ongoing- As at the end of the Reporting year the parties were awaiting a new hearing date for the proceedings.
3. **Abraham Dabdoub and Raymond Clough v The Disciplinary Committee of the General Legal Council (ex parte Dirk Harrison)**: Injunction restraining GLC proceedings against Mr. Dabdoub and Dr. Clough- Status Concluded- injunction refused by the Hon. Ms. Justice Brown Beckford on the 14th of June 2018.
4. **Application for Judicial Review Initiated by the Office of the Utilities Regulations (OUR v OCG)**:Declarations sought to, *inter alia*, challenge the findings of the 360 Megawatts Projects Report and to challenge the OCG's jurisdiction in relation to the OUR. Status Concluded: the OUR filed a Notice of Discontinuation on April 25, 2018.
5. **Application for Judicial Review Initiated by Cenitech Engineering Solutions (Cenitech v NN and OCG et al)**: Injunction restraining the OCG from launching any further investigation or hearings in relation to Cenitech's registration with the National Contracts Commission and

subsequent de-registration and Judicial Review of decision to deregister Cenitech Engineering Solutions as a Works Contractor with the National Contracts Commission. Status Ongoing. At the end of the Reporting year the trial was part-heard.

6. **R v George Knight et al:** Criminal charges for obtaining chattel by false pretense, uttering forged documents and conspiracy to defraud in relation to a Grade 1-4 Works Contractor Application that was submitted to the National Contracts Commission by Cenitech Engineering Solutions Ltd. Status Ongoing- trial is part-heard.
7. **R v Robert Bacchus and Mark Bacchus (re Bacchus Engineering Works Ltd.):** Uttering of forged documents in relation to Bacchus Engineering Works Limited's 2013 National Contracts Commission Application. A new Indictment was entered against Bacchus Engineering Works Ltd. on April 16, 2018, whereon Robert Bacchus as Director of the company pleaded guilty to uttering forged document contrary to section 9 of the forgery Act. As a result, the indictment against Robert Bacchus and Mark Bacchus in their personal capacities was withdrawn. Status Concluded: Guilty plea entered on behalf of the company on April 16, 2018 and a fine of \$800,000 was paid.
8. **R v Howard Charvis:** Breach of Section 29 of the Contractor General Act for failure to provide information requested by the Contractor General in the execution of his functions, during the Investigation into the award of contracts to Strathairn Construction Co. Ltd. Status Ongoing- trial continues.
9. **R v Rudley McFarlane:** Former employee of the OCG's breach of Section 24 of the Contractor General Act. Status concluded: guilty plea entered and fine of \$5,000 imposed on March 5, 2019.
10. **Application for Judicial Review Initiated by the Hon. Gordon Stewart, OJ. (Gorstew Ltd. V The OCG):** Matter concerning the jurisdiction of the OCG to investigate the divestment of the Sandals Whitehouse Hotel, specifically the interpretation and applicability of the term 'government contract'. Status: Judgment reserved on October 25, 2013 and still outstanding as at the end of the Reporting year March 31, 2019.
11. **R v Donovan Henney:** Matter concerning a Motor Vehicle Inspector employed to the Island Traffic Authority in excess of 11 years. The Declarant failed to satisfactorily explain substantial growth in his assets.

Charges laid:

- Illicit Enrichment contrary to Section 14(5) of the Corruption Prevention Act – Period Ending January 31, 2003.
- Illicit Enrichment contrary to Section 14(5) of the Corruption Prevention Act – Period Ending December 31, 2003.
- Illicit Enrichment contrary to Section 14(5) of the Corruption Prevention Act – Period Ending December 31, 2004.
- Illicit Enrichment contrary to Section 14(5) of the Corruption Prevention Act – Period Ending December 31, 2004.

12. **R v Daniel Coburn:** Matter concerning a manager employed to the Jamaica Customs Agency in excess of 19 years. The Declarant failed to satisfactorily explain substantial growth in his assets.

Charges laid:

- Illicit Enrichment contrary to Section 14(5) of the Corruption Prevention Act – Period Ending December 31, 2007.
- Knowingly makes any false statement in any statutory declaration contrary to Section 15(2)(b)(5) of the Corruption Prevention Act – Period Ending December 31, 2009.

In addition to the foregoing, the Integrity Commission is undertaking the recovery or payment of costs related to litigation in the following matters:

1. **Contractor General v Cenitech Engineering Solutions Ltd (Court of Appeal)**- costs awarded against the Contractor General (amount to be determined by the Registrar of the Court of Appeal based on submissions from both parties);
2. **Contractor General v Director of Public Prosecutions**-recovery of costs in the amount of \$2,165,616.17 which was awarded to the Contractor General on February 8, 2019;
3. **Danville Walker v Contractor General**-recovery of costs in the amount of \$3,703,520.70 at the Supreme Court on September 9, 2016 and the Court of Appeal costs (which is to be determined) which was awarded to the Contractor General;
4. **Construction Solutions Limited and Vincent Taylor v The Contractor General** -recovery of costs awarded to the Contractor General (amount for costs to be taxed if not agreed); and
5. **Dwight Reid et al v Contractor General** -recovery of costs in the amount of \$1,843,853 which was awarded to the Contractor General.

Corruption Prosecution Committee

A Corruption Prosecution Committee has been established as a standing committee of the Integrity Commission. The purpose and responsibilities of the committee are, *inter alia*, as follows:

“The Corruption Prosecution Committee represents the Commission in its dealings with the Director of Corruption Prosecution and will:

- (a) provide legal advice to the Commission on matters concerning acts of corruption and offences committed under the Integrity Commission Act;
- (b) collaborate with the Asset Recovery Agency established under the Proceeds of Crime Act, in relation to the conduct of proceedings with respect to the seizure, restraint, forfeiture or recovery of any property relating to acts of corruption;
- (c) submit to the Executive Director, quarterly reports on the activities of the Division;
- (d) perform such other prosecutorial functions relating to acts of corruption as may, from time to time, be assigned to him by this Act or any other enactment;
- (e) review all matters of a legal nature related to the Commission and advise the Commission accordingly; and
- (f) review and make recommendations for amendments to the Integrity Commission Act to enhance efficiencies and furtherance of the law.”

CORPORATE SERVICES

The Corporate Services Division (CSD) is comprised of the Human Resource Management Department, Office Management Department, the Registry and the Finance and Accounting Department. Altogether, the Division has a staff complement of twenty-one (21) persons across the two (2) locations of the Commission. Private security personnel also fall under the Division but are not counted as staff.

During the reporting period, the CSD gave priority to staff welfare, to include training and development, as well as social engagement.

With the Human Resources Department falling under the CSD, the Division was integrally involved in the amalgamation process of the newly-established Integrity Commission from the outset. Critical to the merger activities also, were the Accounting and Office Management functions across the two (2) locations; all areas falling under the CSD.

The promulgation of the Integrity Commission Act, 2017, on February 22, 2018, effectively merged the operations of the former Office of the Contractor General (OCG), the former Commission for the Prevention of Corruption (CPC) and the former Integrity Commission. Consequent upon the merger, the staff from the three (3) legacy organisations fell under the same entity, the newly-established Integrity Commission. At the time of the merger, the staff complements of the respective organisations were as follows:

LEGACY ORGANISATION	STAFF COMPLEMENT
Office of the Contractor General	62
Commission for the Prevention of Corruption	17
Integrity Commission	6
TOTAL STAFF COMPLEMENT	85

There was a combined staff complement of eighty-five (85) members of staff, which included the Forensic Accounting Specialist, who was contracted as a Consultant in the former Office of the Contractor General (OCG) for a three-year period.

The three (3) legacy organisations previously operated from three (3) separate locations in the New Kingston area, with the Office of the Contractor General located on the PIOJ Building, at 16 Oxford Road, the Integrity Commission, at 40 Knutsford Boulevard and the Commission for the Prevention of Corruption, on the Masonic Building, at 45-47 Barbados Avenue. With the merger of the entities however, the staff of the legacy Integrity Commission, on May 16, 2018, moved into the offices of the legacy Commission for the Prevention of Corruption (CPC) on Barbados Avenue, while the staff of the legacy Office of the Contractor General (OCG), remained at its Oxford Road location, with only a single former staff member of the CPC, moving to the Oxford Road office. The newly-established Integrity Commission therefore now operates from two (2) locations.

Currently, all declaration-related activities are centralised at the Barbados Avenue location, while all Contract Monitoring, Contract Investigation, Corruption Prosecution and Corporate Services activities, to include Finance, Office Management and Human Resource Management, operate from the Oxford Road Office. It is anticipated however, that a building will be identified in the near future to accommodate the new Integrity Commission in its entirety, which will be easier for administrative and operational activities to take place.

Section 61 of the Integrity Commission Act, 2017, provides, *inter alia*, that,

“any property purchased by, belonging to or vested in the [legacy organisations] respectively under the amended Acts and the repealed Act, and all interests, rights and easements in respect of the said property shall, without conveyance, assignment or transfer, belong to and be vested in the [Integrity Commission], subject to all and any trusts and to all debts, liabilities and obligations affecting the same and to any enactment regulating the management, maintenance, control, supervision of and dealing with such property.”

Accordingly, upon promulgation of the Integrity Commission Act, 2017, all property, assets and liabilities, were subsumed under the new Commission.

Notwithstanding the foregoing, with the administrative adjustments which needed to be carried out by the respective legacy Anti-Corruption organisations and the Ministry of Finance and the Public Service, the legacy entities continued to operate administratively, as independent entities through to January 31, 2019. The Accounting, Human Resource and Office Management (including procurement, property, records and asset management) functions were merged as at February 1, 2019 and centralised at the Oxford Road location of the Commission.

The Commission, through the CSD has acquired its Tax Registration Number (TRN) and its National Insurance Scheme (NIS) Number, along with all other clearances necessary to conduct business as a 'new' entity. An organisational identification 'Head' (09000) was also established for the new Integrity Commission, through the Ministry of Finance and the Public Service.

Engagement of Consultant for the Amalgamation of the Legacy Organisations into a Single Anti-Corruption Entity

The Consulting Firm, Strategic Alignment Limited, was engaged in November 2018, to undertake a Change Management and Transition Plan to guide the consolidation of the three (3) former Anti-Corruption organisations into a single Anti-Corruption organisation. The Consultancy is for a period of 3 ½ Months, not including December 14, 2018 to January 14, 2019. Full funding for the Consultancy is through a Memorandum of Understanding (MOU) between the Integrity Commission and the Department for International Development (DFID). The value of the Consultancy Contract, not including General Consumption Tax (GCT), is Seven Million Four Hundred and Seventy-Eight Thousand, Five Hundred and Two Dollars and Ninety Cents (\$7,478,502.90).

The general objective of the assignment was to undertake a strategic review and change management plan for the new Integrity Commission; specifically, to include an organisation review and proposed framework, a strategy review and a change management and implementation plan.

In accordance with contractual obligations, the key deliverables from the assignment are as follows:

- i. An Inception Report, Project Implementation/Work Plan and associated Gantt Chart;
- ii. A Report on the Current State (As is Report) of the three (3) legacy organisations;
- iii. A Comprehensive Strategic Review Report;
- iv. A Change Management Strategy and Implementation Plan;
- v. A Risk Assessment and Mitigation Plan; and
- vi. A Final Report

Generally, the Consultants are required to deliver:

1. The most effective and efficient management, administrative and operational structure for the functions of the Commission;
2. Proposals for the development of business processes in the context of the mandate prescribed by the Act and the combination of functions that were undertaken by the legacy entities; and

3. An appropriate Change Management Strategy, to give effect to the requirements of the new organisation.

Payments made to Consultants to Date

The following amounts have been paid to the Consultants as at March 31, 2019:

DELIVERABLE No.	DELIVERABLE TYPE	PAYMENT DATE	AMOUNT PAID (Including GCT)
1	Inception Report	24-Dec-2018	\$1,742,491.18
2 and 3	(1) Current State "As Is" Report and (2) Comprehensive Strategic Review Report	01-Mar-2019	\$1,742,491.18
4	Change Management Strategy & Implementation Plan	29-Mar-2019	\$1,742,491.18
TOTAL			\$5,227,473.54

HUMAN RESOURCE MANAGEMENT

The human resource functions of the three (3) legacy organisations operated independently from the effective date of the merger, February 22, 2018, through to January 31, 2019. All human resource functions were centralised at the Oxford Road location of the Commission on February 1, 2019, through the Human Resource Department of the former OCG.

Employment Status of Staff from the Legacy Entities

Upon the merger of the legacy entities, it was recognised that there were three (3) employment types existing at the newly-merged Commission: (i) Permanent employees, (ii) Contracted employees and (iii) Permanent-Retired employees. In relation to Permanent Employees however, there existed two (2) distinct groups as follows: (a) Permanent Civil Servants and (b) Permanent Employees under the age of Retirement. While all employees of the former Office of the Contractor General (OCG) were employed on Fixed-Term Contracts, the former Commission for the Prevention of Corruption (CPC) had two categories of employees: (a) Permanent Civil Servants and (b) Fixed-Term contracted employees.

The former Integrity Commission however, presented with a more unique classification of employees in three (3) categories, with three (3) employees being classified as (a) Permanent/Retired, one (1) employee classified as (b) Permanent/Pensionable and the two (2) remaining employees as (c) Permanent/Non-Pensionable. Staff falling in the category of *Permanent-Retired*, are retired from the Civil Service but were retained by the former Integrity Commission in permanent positions.

While there is no known legal basis for this, the explanation extended was that, with Parliamentarians declaring their assets, liabilities and incomes to that entity, a high level of confidentiality was required and it was felt at the time of the Commission's establishment that more mature employees would be best suited for the posts within that Commission. Owing to this dynamic, employees of the former Integrity Commission, owing to their status as retirees, were entitled to a Compassionate Gratuity, in the absence of all other benefits usually extended to permanent employees of the government. However, that Commission in later years employed employees who had not yet reached the age of retirement. These employees though employed permanently, were not 'pensionable', as the entity did not have facilities for same. Notwithstanding this anomaly, one (1) permanent employee, by virtue of her classification as 'ancillary' within government, though not a retiree, was entitled to all benefits offered by government, including pension. This employee, being 'pensionable', would not benefit from a Compassionate Gratuity.

Transition of Staff into the New Commission

Section 62 of the Integrity Commission Act, 2017, provided for the transition of permanent and contracted employees into the newly-established Commission, upon the amalgamation of the three (3) legacy entities. Sub-Section 62(1) provides that *"all persons holding permanent appointment to offices under [the legacy entities] shall be transferred on secondment to the services of the Commission...for a period of six (6) months or such longer period as the Commission may, in special circumstances, determine."*

Sub-Section 62(2) provides that persons employed in accordance with the dictates of Sub-Section 62(1), that the terms and conditions of their engagement should not be any less favourable than the substantive position at the date of the merger. Similarly, Sub-Section 62(4) directed that persons on Fixed-Term Contracts at the time of the merger were also to be engaged under no less favourable terms and conditions. However, there was no period indicated for continued employment to the Commission, upon expiration of their employment contracts.

Sub-Section 62(3) of the Act indicates that officers transferred on secondment pursuant to Sub-Section 62(2) of the Act, may be deployed in the public service on or before the expiration period of the six-month period under no less terms and conditions that they enjoyed at the time of the merger. Sub-Section 62(3) also held that officers falling in said category could *"be retired on the ground that his substantive position [had] been abolished"* by virtue of the dictates of Section 62 of the Act.

Notwithstanding the foregoing however, the Commission, where employment contracts expired, opted to extend said contracts for an initial period of six (6) months. However, upon recognising that the amalgamation and restructuring process would be protracted, the decision was taken to extend employment contracts by one (1) year, thus those contracts initially extended by six (6) months were withdrawn and thereafter amended to reflect a one-year period instead. All subsequent employment contracts which expired were extended by one (1) year.

Staffing of the Commission

At the end of the Financial Year ending March 31, 2019, there was a total staff complement of eighty-one (81). It is to be here noted however, that the eighty-one (81) members of staff includes the Consulting Forensic Accounting Specialist, whose position, though fully funded through the Department for International Development (DFID), requires her full participation in the operations and functions of the Investigations Division.

During the reporting period, the Commission welcomed eight (8) new staff members, whilst nine (9) of our colleagues separated from the organisation.

Organisational Structure

At the time of the merger, the combined approved posts among the legacy organisations numbered one hundred (100). It is to be noted however, at the time of preparing this report; the Organisational Structure for the newly-established Integrity Commission, though proposed, had not yet been approved and established. Further, it is important to note however, that at the end of the reporting period, the process for the strategic review and completion of the Change Management Plan for the Commission were at an advanced stage. Specifically, the final reports from the Consulting Firm, Strategic Alignment Limited (SAL) and the necessary approvals for the establishment of the structure of the Commission were pending.

Under the aforementioned circumstances and also for administrative purposes, the legacy posts and structures, along with the related terms and conditions of employment, were still maintained throughout the Commission, pending approval of the new Organisational Structure. The Staff Situation 2018 (page 68) provides further details in relation to staffing.

Staff Training

The Integrity Commission remains committed to providing an environment in which its staff members develop professional best practices, through both external and internal training.

The Commission, over the reporting period, registered one hundred and fifty-one (151) participants in thirty-three (33) internal and external training programmes, seminars, workshops and/or conferences, both locally and overseas. It is to be noted that in several instances, the training opportunities were sponsored by stakeholders, thus were at no significant expense to the Commission. Details of the opportunities of which the staff were privy, are documented in the Schedule of Staff Training (page 70).

The Human Resource Management Department remains committed to identifying quality training and participation opportunities aimed at enhancing the human resource asset of the Commission and increasing its capacity to discharge its mandate in a more effective and efficient manner.

Staff Welfare Programmes

The Ministry of Finance and the Public Service, in 2014, granted its approval for the then OCG to establish and maintain a One Million Dollar (\$1,000,000.00) revolving miscellaneous loan fund for the benefit of staff. Consequently, a Bank account was established for this purpose and loans are disbursed to staff at a rate of 3%, under the strictures of an approved Loans Policy, for the purpose of tuition fees, computer loans, emergencies and other unforeseen miscellaneous purposes. The Commission, during the period under review, continued to maintain this facility.

The former CPC, in 2007, with approval from the Ministry of Finance and the Public Service, established and operated a Motor Vehicle Revolving Loan scheme, to assist Travelling Officers to purchase reliable motor vehicles for the performance of their duties. A Bank Account was established for this specific purpose and loans are disbursed to staff at a rate of 0%, under the strictures of the relevant policy as established by the Ministry of Finance and the Public Service. The Commission continued to maintain this loan facility during the reporting period.

It is anticipated that both loan facilities will soon be expanded and made available to the entire staff complement of the merged Integrity Commission.

Summer Internship Programme

The Integrity Commission recognises the lack of internship opportunities with which students at the tertiary level are faced. Needless to say, where this necessary condition of their respective programme is not met, it affects their ability to successfully complete or delays the completion of that programme of study. In this vein and in an effort to contribute to youth empowerment and education, the former Office of the Contractor General (OCG), for the first time in 2014, facilitated Summer Internship for students from the University of the West Indies (UWI) for eight (8) weeks. The programme was deemed a success and between 2014 and 2017, the OCG welcomed thirty (30) Summer Interns from the UWI, the Norman Manley Law School and High Schools across the parishes of Kingston, St. Andrew and St. Catherine.

In 2018, the Summer Internship Programme continued under the newly-established Integrity Commission, with the participation of six (6) students from the Norman Manley Law School.

While part of the programme, the students are exposed to all aspects of the Commission's operations. Students from the Norman Manley Law School for instance, in addition to being sensitised to activities undertaken by all Divisions within the former OCG, are exposed to Court proceedings and internal Judicial Hearings. They are also required to draft Legal Opinions on matters of import and are given the opportunity to participate in other activities professionally and socially. Outside of being exposed to operations of the Office, the High School participants were primarily given administrative responsibilities.

Upon commencement of the programme, Summer Interns are provided with a schedule of targets to meet over the period of engagement, are closely supervised and are required to complete assignments in a timely manner. Payment for the Interns is minimal and is taken from the Budget allocation for Training.

H.O.P.E. Programme

The Integrity Commission, in 2018, through the former Commission for the Prevention of Corruption (CPC), offered job opportunities to participants in the Government of Jamaica's Housing, Opportunity, Production and Employment (HOPE) Programme for the first time. The programme, which operates out of the Office of the Prime Minister, *"is in part a training and apprenticeship programme which [provides] an avenue for the development of [fully-rounded] individuals, through a system of National Service Corps, to become productive members of society. The programme [targets] unattached youth between 18 and 24 years old, who are not engaged in any meaningful way in Jamaica."*

Programme participants are engaged in a mandatory Core Training programme, after which they participate in specific skills training and serve as apprentices, where they work in that skill area. Participants during the period of internship are given a stipend through the programme. The intent of the programme is that Interns will transition into the workforce or go on to further training, upon which they can build for future employment, training or education.

HOPE participants were engaged by the Commission in three (3) batches, to assist with data entry, as it pertains to statutory declaration submissions, as follows:

No.	Number of HOPE Participants	Period of Engagement
1	8	July 4, 2018 to October 4, 2018
2	2	September 3, 2018 to January 11, 2019
3	7	December 3, 2018 to March 29, 2019

Staff Awards and Recognition

The Commission, in December 2018, hosted its Annual Staff Recognition and Awards Ceremony, which formed part of the Commission's Christmas Party proceedings. Two (2) employees received awards as the Employee of the Year, with one (1) person being selected from either location of the Commission. An additional nine (9) nominees from across all Divisions of the Commission were also recognised at the event.

The former Commissioners of the legacy Integrity Commission were recognised for their sterling service to that Commission at a Luncheon held in April 2018. The Luncheon, hosted by the staff, also served the dual purpose of being a farewell function for the Commissioners and saw the staff of that Commission joining the Commissioners at the event.

The Social Activities Club

The Social Activities Club (SAC) has the responsibility of promoting social interaction and maintaining an environment of comradeship amongst staff. The SAC is led by an Executive Committee, whose members are nominated by staff and on which all Divisions are represented. Each Committee member serves for a two-year period, with a staggered membership, to allow for continuity, as against the terms of all Committee members coming to an end *en bloc*.

The Club is funded through monthly voluntary contributions from staff members, as well as through fundraising efforts spearheaded by the Committee. It is to be noted that activities planned for the period were significantly scaled down when compared to former years, owing primarily to matters related to the amalgamation process, which the Commission was undergoing over the reporting period.

For the period under review, the following activities were undertaken by the SAC:

- Mother's Day Appreciation
- Father's Day Appreciation
- New Integrity Commission Staff Link-Up Lyme
- Jersey and Tie Day
- Heroes'/Jamaica Day Recognition
- Emancipation/Independence Recognition
- Christmas Tree Lighting Ceremony
- Staff Christmas Party
- Inter-Departmental Christmas Decorating Competition

Fundraising activities undertaken by the SAC to support planned activities for the period:

- Cake Sales
- Smoothie & Cookie Sales

OFFICE MANAGEMENT DEPARTMENT

The Office Management Department has direct responsibility for the procurement and the management of all assets. The Department purchased capital items and other goods and services in the Calendar Year 2018; largely from the OCG's 2018/2019 Recurrent Budget.

It is to be noted however, that in spite of the merger of the three (3) Anti-Corruption organisations in February 2018, the respective Office Management functions operated independently from the effective date of the merger, February 22, 2018, through to January 31, 2019. All administrative functions, including Office Management, were consolidated as at February 1, 2019, at which time the functions were centralised at the Oxford Road location of the Commission, through the Office Management Department of the former OCG.

The Commission's Recurrent Budget of Four Hundred Thirty-Three Million Nine Hundred and Sixty-Five Thousand Dollars (\$433,965,000.00), provided for purchase of other goods and services and capital expenditure, capped at Forty-Four Million Four Hundred and Six Thousand Dollars (\$44,406,000.00) and Seven Million Eight Hundred Ninety-Nine Thousand Dollars (\$7,899,000.00), respectively. In the foregoing regard, only 10.20% and 1.8% of the total Recurrent Budget Allocation provided for the purchase of goods and services and capital items, respectively. The remainder of the Budget, provided for the rental of property, utilities and staff-related expenses.

The following capital items and equipment were acquired by the Commission during the period:

Table 1 – Capital Items acquired
(February 22, 2018 to March 31, 2019)

Former Office of the Contractor General

#	Items Procured	Quantity
1	Manager's High Back Chair	27
2	Visitors' Chair	6
3	4 Drawer Filing Cabinet	6
4	5 Drawer Filing Cabinet	3
5	Task Chair	1
6	Executive High Back Chair	10
7	Mid Back Chair	3
8	Stationery Cabinet	1
9	Lateral Storage Cabinet	1
10	Electric Kettle	1
11	Mini Refrigerator	1
12	Water Cooler	2
13	Clothes Iron	1
14	External Hard Drive	2
15	HP Colour Printer	1
16	Television Set	5
17	Dell Laptops	6
18	Microwave	1
19	Port Switches	7
20	A/C Unit	1
21	Storage Access Network (SAN)	1
22	Computer CPUs	3

23	Power Distribution System	3
24	Door Mats	4
25	Plastic Chair Mats	24
TOTAL ITEMS PURCHASED		121

Former Integrity Commission

#	Items Procured	Quantity
1	HP Pro Desk Computers without Monitors	3
2	HP LaserJet Colour Printer	1
3	Chubb Fireproof Filing Cabinets	2
4	Executive Chairs	3
5	Industrial Kettle	1
6	Microsoft Office 365	3
TOTAL ITEMS PURCHASED		13

The former Commission for the Prevention of Corruption did not purchase any capital items or equipment over the period.

Rental of Property

The Integrity Commission currently leases and thus occupies two (2) office spaces, which are located on the First Floor of the PIOJ Building, at 16 Oxford Road and on the Second Floor of the Masonic Building, at 45-47 Barbados Avenue, respectively. The Oxford Road office space, which is the location of the former Office of the Contractor General (OCG), measures 13,062 Square Feet, while the office space at Barbados Avenue, which is the location of the former Commission for the Prevention of Corruption (CPC), measures 6,307.94 Square Feet.

Rental and Maintenance of Property – Oxford Road

The initial ten (10) year Lease Agreement between the Planning Institute of Jamaica (PIOJ) and the then Office of the Contractor General (OCG) expired on December 31, 2017. The second Lease Agreement between both parties came into effect on January 1, 2018, for a period of five (5) years, to end on December 31, 2022.

Rental and Maintenance Expenditure is determined by the terms of the Lease Agreement. The clear base total rental for the first year of the Lease is Twenty-Two Million Two Hundred and Five Thousand Four Hundred Dollars (\$22,205,400.00), which is paid monthly, at a rate of One Million Eight Hundred and Fifty Thousand Four Hundred and Fifty Dollars (\$1,850,450.00).

The Maintenance Fees amount to One Million Six Hundred and Nineteen Thousand Six Hundred and Eighty-Eight Dollars (\$1,619,688.00) per month, for the period from January 1, 2018 to March 31, 2018. The monthly maintenance fee for the period April 1, 2018 through to December 31, 2018, was set at One Million Seven Hundred and Forty-One Thousand Six Hundred Dollars (\$1,741,600.00).

Discounts were extended to the former OCG for rental payments for year 1 of the Agreement as follows:

January 1 – March 31, 2018 (20% discount)	\$1,480,360.00 per month
April 1 – June 30, 2019 (5% discount)	\$1,757,927.00 per month
July 1 – December 31, 2019 (full market)	\$1,850,450.00 per month

The Lease Agreement states, *inter alia*, that “*the rental increase in the second year will use the base total rental for the first year (without discounts) of Twenty-Two Million Two Hundred and Five Thousand Four Hundred Dollars (\$22,205,400.00). The Rental shall be increased by eight point five percent (8.5%) per annum compounded for year 2 commencing on January 1, 2019 and thereafter annually by ten percent (10%) per annum for the remainder of the Term.*”

The Lease Agreement also stipulates that maintenance costs are to be “*fixed annually based on the cost of efficiently managing the building*” and charged in relation to the floor area occupied, at a rate of One Thousand Six Hundred Dollars (\$1,600.00) per square foot in the first year. The *actual* maintenance expense over each one year period of the Agreement is to be audited at the end of each year by an Auditor appointed by the PIOJ. The required adjustments are to be made where necessary and the shortfall amount communicated to the Commission for payment.

Maintenance charges for March 2018 – March 2019, amounted to Twenty-two Million Five Hundred and Eighteen Thousand Eight Hundred and Eighty-eight Dollars (\$22,518,888.00), which was paid in full.

Rental and Maintenance of Property – Barbados Avenue

The Barbados Avenue location of the Commission has been occupied by the former Commission for the Prevention of Corruption (CPC) since 2003. The current Lease Agreement for the Barbados Avenue office space is for a three (3) year period, from June 1, 2017, through to May 31, 2020. The Agreement is between the Freemasons Association (Jamaica) Limited and the National Land Agency, on behalf of the CPC. Rental and Maintenance Expenditure is determined by the terms of the Lease Agreement.

The Lease Agreement provides, *inter alia*, that the 'Standard Rent' over the three-year period be at a rate of \$840.31 per square foot in the first year. During the second and third years of the Agreement respectively, the rent shall be increased by 7½%, effective 1st June of each year.

There is a similar clause in the Agreement for the Barbados Avenue office, to that of Oxford Road; wherein the Lessee pays an estimated amount throughout the year and thereafter, actual maintenance expense over each one-year period is to be audited at the end of each year by an Auditor appointed by the Lessor. The required adjustments are to be made where necessary and the shortfall amount communicated to the Commission for payment.

The current rate for Maintenance charges is Five Hundred and Sixty Dollars and Twenty-three Cents (\$560.23) per square foot, per annum. The monthly charge is therefore Two Hundred and Ninety-four Thousand, Four Hundred and Ninety-one Dollars and Forty-four Cents (\$294,491.44).

Parking

Under the Lease Agreement with the PIOJ, seven (7) parking spaces are provided in the Basement of the PIOJ Building for the Integrity Commission, which is situated on the First Floor of said building. Payment for the seven (7) parking spaces is thus included in the monthly charges and is not a separate charge.

A majority of the Commission's staff members park at PIOJ's Main Car Park located at 9 Oxford Road, which is across the road from the PIOJ Building. The current Lease Agreement with the PIOJ does not include a cost for parking, as that charge is to be negotiated separately. As at the end of the period under review, there was no agreed charge for the Commission's staff to park at the PIOJ's Main Car Park and as such, parking has yet to be billed for the period from the commencement of the current Lease Agreement with the PIOJ.

The PIOJ in 2017, informed the then OCG that they were experiencing challenges with respect to available parking spaces for staff of both organisations and visitors to the building alike. Based upon this revelation, the OCG sought alternative parking spaces for its staff and in May 2017, entered into a One-Year Licence Agreement with the National Water Commission (NWC) for the provision of sixteen (16) spaces at its Car Park located at 18 Oxford Road, Kingston 5, which is the neighbouring property to the PIOJ Building. The NWC Car Park was shared with another entity, which occupied twenty (20) spaces. The Agreement was renewed for an additional year (May 2018 to May 2019) upon its expiration. Based upon the current Agreement, the payments due to the NWC on a monthly basis for the life of the Agreement are as follows:

- Licence Fee: \$112,000.00
- Maintenance Fee: \$4,333.50
- Security Fee: \$42,825.15

Staff parking for the **Barbados Avenue** office of the Commission, is by way of a contract between the Freemasons Association (Jamaica) Limited, which are the Landlords of that building and Victoria Mutual Pensions Management Limited. However, based upon the Licence Agreement, the Licensor has appointed WIHCON Properties Limited *“to manage the car park and to act as the Licensor’s agent in relation to all aspects of the Licence.”* The agreement allocates to the Landlords, twenty-eight (28) parking spaces, twelve (12) of which have been reserved for the Commission, at a rate of Eight Thousand Dollars (\$8,000.00) per vehicle, per month. The Agreement, dated January 1, 2018, states, *inter alia*, that said Agreement *“will renew ANNUALLY on January 1st, if the Licensee is deemed to be in good standing with all its other obligations by the Licensor.”*

Utilities

Water Consumption

The **Oxford Road** location of the Commission does not have an individually-assigned water metre. Water charges are recovered under the terms outlined in the Lease Agreement (PIOJ/OCG), which was made effective in January 2018.

Similarly, water consumption for the **Barbados Avenue** location of the Commission forms part of what is termed ‘Additional Rent’ in the Lease Agreement (Freemasons Association/CPC), which came into effect in June 2017. There is no assigned water metre for the floor occupied and as such, the monthly bill amount is apportioned based upon space occupied, in accordance with the terms of the Lease Agreement and is included in the Maintenance charges.

Electricity Consumption

Electricity charge for the **Oxford Road** location of the Commission is billed by the PIOJ on a monthly basis. There is a separate Electricity Metre for the First Floor, which is occupied entirely by the Integrity Commission. For the period under review, the charges for electricity amounted to an average monthly payment of Five Hundred and Twenty-Four Thousand Four Hundred and Sixty-Seven Dollars and Three Cents (\$524,467.03).

The monthly electricity charges for the **Barbados Avenue** office is billed by the Freemasons Association on a monthly basis. There is a separate Electricity Metre for the Second Floor, which is occupied entirely by the Integrity Commission. For the period under review, electricity charges amounted to an average of Two Hundred and Seventy Thousand, Seven Hundred and Forty-Two Dollars and Twenty Cents (\$270,742.20) per month.

Telephone Usage

With respect to the **Oxford Road** location of the Commission, the amount paid for telephone services for the period under review was an average monthly amount of Three Hundred and Nine Thousand Nine Hundred and Thirty-Eight Dollars and Sixty-One Cents (\$309,938.61), which includes payment for the Closed User Group (CUG) plan.

The Commission continued its honour system, where staff members are billed for personal calls and the amounts recovered from their salaries on a monthly basis.

In relation to the **Barbados Avenue** location of the office, which houses the staff of the legacy CPC and the legacy Integrity Commission (IC), the amount paid by the legacy Integrity Commission for telephone services for the period under review, was an average monthly amount of Seventeen Thousand Five Hundred and Sixty-eight Dollars and Seventy-two Cents (\$17,568.72). The legacy Integrity Commission did not have a Closed User Group (CUG) plan.

For the legacy Commission for the Prevention of Corruption (CPC), the average monthly payment for telephone service was Sixty-Seven Thousand, Five Hundred and Fifty-Four Dollars and Seventy-Three Cents (\$67,554.73), which included payment for the Closed User Group (CUG) plan.

THE REGISTRY

The Registry at the **Oxford Road** location of the Commission has direct responsibility for document management for that office and that of the former National Contracts Commission (NCC), now known as the Public Procurement Commission (PPC). It is to be noted that prior to the promulgation in 2018, of the Public Procurement Commission Act, 2015 and the Public Procurement Regulations, 2018, which effectively brought the PPC into being on April 1, 2019, the former OCG (and subsequently the new Integrity Commission) provided Secretariat services to the NCC.

As the custodian of files for both the Integrity Commission and the NCC (now PPC), the Registry is experiencing significant challenges with respect to availability of space for the storage of files. It is anticipated that this issue will be remedied with the pending physical separation of the PPC from the Commission; the proposed date being December 31, 2019.

Along with the Information Systems Division and the Accounts Department, the Registry is considered a 'sterile area'. As such, file storage areas are accessible only to the staff of the Registry and select members of staff in leadership.

Custody of files located at the **Barbados Avenue** office lies with the Director, Information and Complaints. Owing to the sensitive nature of the files held at that location related to the statutory declarations of Public Servants, access to file storage areas is limited to select staff members. As it pertains to the declaration records of Parliamentarians, access protocol is elevated and as such, limited to only select senior staff members. Availability of space for the storage of files is also a challenge at that location and is of great concern.

The Commission operating from a single location with ample space for file storage would be ideal, as it would allow for the centralisation and proper housing of the files and also for best practice to be exercised relative to the filing and storage of documents. The Commission, for this and other reasons, remains hopeful that a building with adequate storage space and parking for staff and visitors alike will be identified and secured for the purposes of the Integrity Commission in the very near future.

FINANCE & ACCOUNTING DEPARTMENT

Notwithstanding the merger of the three (3) Anti-Corruption organisations (the former Office of the Contractor General (OCG), the former Commission for the Prevention of Corruption (CPC) and the former Integrity Commission (IC)) in February 2018, the administrative functions of the Commission, including finance and accounting, continued to operate separately through to January 31, 2019. The finance and

accounting functions of all three (3) organisations were officially merged, commencing February 1, 2019 and was centralised at the Oxford Road location of the Commission, through the Finance and Accounting Department of the former Office of the Contractor General (OCG).

It is to be noted that prior to the merger, the OCG managed its finances by way of Appropriation Accounting, while both the CPC and IC utilised Accrual Accounting. This difference in accounting systems caused much anxiety initially and required the Commission working closely with the Ministry of Finance and the Public Service to make the necessary adjustments in an effort to have all three (3) accounts operating from a single platform. After many months of intense and time-consuming activities by the respective teams, the matter was resolved and the official date of the merger of administrative functions was set. All targets set by the respective teams were accomplished by the January 31, 2019 deadline. As directed by the Ministry, the accounting platform adopted for the Commission was Appropriation Accounting. However, Section 20(1) of the Integrity Commission Act, 2017, directs that Accrual Accounting should be employed, thus both Accounting systems are utilised by the Commission.

During the reporting period, the Finance and Accounting Department continued to support the Commission, albeit with a limited Budget. The Department ensured that through proper fiscal planning and management, the functions and operations of the Commission were executed in an efficient, compliant and effective manner.

The Accounting Period April 2018 - March 2019

The Approved Budget for the for IC for the period April 2018 to March 2019 was Four Hundred Forty-Six Million Nine Hundred and Nine Thousand Dollars (\$446,909,000.00), which included Statutory expenditure estimates of Twelve Million, Nine Hundred and Forty-Four Thousand Dollars (\$12,944,000.00), Appropriation-In-Aid, Sixteen Million Nine Hundred Thousand Dollars (\$16,900,000.00).

At the end of the Fiscal Period ending March 2019, Four Hundred Thirty-Three Million Seven Hundred Sixty-Seven Thousand Dollars (\$433,767,000.00) was warranted for Recurrent Expenditure. This created a shortfall of One Hundred Ninety-Eight Thousand Dollars (\$198,000.00) in the funds available to satisfy Recurrent Expenditure.

Of the warranted amount, Thirteen Million Eight Hundred Sixty-Three Thousand Eight Hundred Thirty-One Dollars and Twenty-Seven Cents (\$13,863,831.27) was surrendered to the Consolidated Fund at the Financial Year End for Recurrent Expenditure.

Estimates of Expenditure for the Period April 2018 to March 2019

The IC's Estimate of Expenditure Proposals for the Financial Year 2018 - 2019 was drafted and submitted to the Ministry of Finance and the Public Service on November 30, 2018. The Draft Estimates was Three Hundred Seventy-Four Million Seventy-One Thousand and Eleven Dollars (\$374,071,011.00), which was within the Ministry's proposed Budgetary Ceiling of Three Hundred Seventy-Four Million Eight Hundred Thousand Dollars (\$374,800,000.00).

Supplementary Budget

The Ministry of Finance and the Public Service issued a call for the Second Supplementary Estimates 2018/2019 in December 2018 and the IC provided the necessary information in December 2018, in the amount of Twelve Million Five Hundred Dollars (\$12,500,000.00). As at January 9, 2019, an amount of Twelve Million Three Hundred and Nine Thousand Dollars (\$12,309,000.00) was approved for the Second Supplementary Estimates for the IC. The amount included Statutory Expenditure of Four Hundred and Fifteen Thousand Dollars (\$415,000.00) and Recurrent Estimates of Eleven Million Eight Hundred Ninety-Four Thousand Dollars (\$11,894,000.00).

Warrant Allocation as at March 2019

The Warrant Allocation, as at March 31, 2019, was Four Hundred and Thirty-Three Million Seven Hundred Sixty-Seven Thousand Dollars (\$433,767,000.00) and Statutory Expenditure Estimates of Twelve Million Nine Hundred and Forty-four Dollars (\$12,944,000.00).

At the end of the Fiscal Period ending March 2019, Four Hundred and Thirty-Three Million Seven Hundred Sixty-Seven Thousand Dollars (\$433,767,000.00) was warranted for Recurrent Expenditure.

Appropriation Account April 2017 - March 2018 - OCG

The OCG's records indicate that the Appropriation Account for the Financial Year ended March 31, 2018, was submitted to the Auditor General's Department (AuGD) on June 20, 2018. The Audit exercise for the period was conducted by the AuGD between September 1, 2018 and September 25, 2018 and the Draft Report submitted to this Office on October 17, 2018 for comments to be submitted by October 31, 2018. However, the OCG requested an extension to November 19, 2018. A further extension was requested and the information provided on November 22, 2018.

Subsequent to the foregoing however, adjustments had to be made to the audit period, as the amalgamation of the three (3) legacy entities occurred on February 22, 2018, which was prior to the end of the 2017/2018 Financial Year. This required the intervention of the Ministry of Finance and the Public Service to address all the issues pertaining to the period adjustments. The necessary adjustments were made and the information provided to the AuGD in January 2019. As at the time of writing this report, the certified report from the AuGD was pending.

Accrual Account - April 2017 to March 2018 - CPC and IC

The Audit exercise for the former CPC for the Financial Year 2017/2018 was conducted by the Audit Firm Crichton Mullings & Associates and the report provided in June 2019.

The Audit exercise for Financial Year 2017/2018 for the former IC was conducted by the Audit Firm Bogle and Company and was submitted to the Commission in June 2019.

Surrender of Surplus Funds

The former OCG, prior to the merger, surrendered all surplus funds to the Consolidated Fund at the end of each Financial Year. In contrast however, the former CPC and IC, as Statutory Bodies and having operated under the Accrual Accounting system, were not required to surrender surplus funds to the Consolidated Fund. Accordingly, both entities held their surplus funds in Bank Accounts. Surplus funds held in the respective Bank Accounts accumulated over the years and were retained for payments to staff for, in the case of the IC, Retirement benefits and in the case of the CPC, pay-out to staff for any outstanding leave.

However, with the amalgamation of the entities and subsequent adoption of the Appropriation Accounting system for the management of the Commission's finances, the Ministry of Finance and the Public Service directed that the subject Bank Accounts be closed and the funds surrendered. The accounts were however not closed at the end of the Financial Year, as there were cheques which needed to be cleared through the respective accounts and administrative actions which had to be performed in order to effect the closures.

The Table below shows Approved Estimates, Actual Expenditure and the amounts surrendered by the Integrity Commission to the Consolidated Fund for the 2018/2019 Financial Year.

**Table 2 – INTEGRITY COMMISSION
SUMMARY OF APPROPRIATION ACCOUNTS (APRIL 2018 – March 2019)**

No. of YEARS	FINANCIAL YEAR	TOTAL APPROVED ESTIMATES (\$)	ACTUAL EXPENDITURE (\$)	SURPLUS SURRENDERED TO THE CONSOLIDATED FUND (\$)
1	April '18' - March '19'	433,965,000.00	420,101,168.73	13,863,831.27
TOTAL		433,965,000.00	420,101,168.73	13,863,831.27

Annual Return Declarations

The Commission's Annual Return Declarations for the Year 2018 were submitted electronically through the Tax Administration Department's Online Portal. The Returns were submitted by the March 31, 2019 deadline.

INTEGRITY COMMISSION
Staff Situation as at March 31, 2019

ESTABLISHED POSTS	APPROVED	FILLED	VACANT	LEGACY ORGANISATION
Contractor-General (Acting Director, Corruption Prosecution)	1	1	-	OCG
Legal Officer	1	1	-	OCG
Director - Technical Services	1	1	-	OCG
Director - Construction Contracts	1	1	-	OCG
Director – Non-Construction Contracts, Licences & Permits	1	1	-	OCG
Director – Corporate Services	1	1	-	OCG
Director - Information Technology	1	1	-	OCG
Chief Investigator	1	1	-	OCG
Technical Services Managers	2	2	-	OCG
Legal & Investigating Officer	1	1	-	OCG
Senior Inspectors	2	2	-	OCG
Senior Special Investigator	1	1	-	OCG
Special Investigator	1	1	-	OCG
Inspectors	10	9	1	OCG
Chief Accountant	1	1	-	OCG
System Administrator	1	1	-	OCG
Special Investigator & Communications Officer	1	1	-	OCG
Network and Security Officer	1	0	1	OCG
Application and Web Developers	2	2	-	OCG
Administrative Assistants	4	3	1	OCG
Technical Officers	5	5	-	OCG
Goods and Services Supervisor	1	1	-	OCG
HR Manager	1	1	-	OCG
Office Manager	1	1	-	OCG
Executive Secretary 1	1	1	-	OCG
Senior Accountant	1	1	-	OCG
Senior Secretary	1	1	-	OCG
Senior Accounts Officer	1	1	-	OCG
Payroll Officer	1	1	-	OCG
Secretary	1	1	-	OCG
Registrar	1	1	-	OCG
Assistant Office Manager	1	1	-	OCG
Records Officers	4	4	-	OCG
Telephone Operator/Receptionist	1	1	-	OCG

Drivers	2	1	1	OCG
Office Attendants	2	2	-	OCG
Office Assistant	1	0	1	OCG
Building Custodian	1	1	-	OCG
Systems Analyst	1	1	-	OCG
Consulting Forensic Accountant Specialist	1	1	-	OCG
Secretary/Manager (Interim Director, Information & Complaints)	1	1	-	IC
Investigating Officer	2	1	1	IC
Financial Analyst	1	1	-	IC
Executive Officer	1	1	-	IC
Senior Secretary	1	1	-	IC
Office Attendant	1	1	-	IC
Secretary/Manager (Interim Director, Investigations)	1	1	-	CPC
Executive Secretary2	1	1	-	CPC
Senior Financial Analyst	1	1	-	CPC
Financial Analyst	3	2	1	CPC
Director Corporate Service	1	0	1	CPC
Secretary	1	1	-	CPC
Chief Financial Investigator	1	1	-	CPC
Financial Investigators	3	2	1	CPC
Systems Support Officer	1	1	-	CPC
Data Entry Officer	5	3	2	CPC
Records Officer	1	0	1	CPC
Accounting Technician	1	0	1	CPC
Driver	1	1	-	CPC
Office Attendant	1	1	-	CPC
Executive Director	1	1	-	N/A
TOTAL	94	81	13	

SCHEDULE OF STAFF TRAINING

(February 22, 2018 – March 31, 2019)

MONTH	OFFICER	ORGANISATION/ LOCATION	COURSE/SEMINAR	DURATION
2018 March	i. Chief Investigator ii. Legal Officer	Financial Investigations Division (FID)	Two (2) day Training Courses - Building Conspiracy Cases	March 5–6, 2018
March	Payroll Officer	MC Systems Held at Jamaica Pegasus	Payroll Conference	March 6–10, 2018
March	Technical Officer	Planning Institute of Jamaica	Revision of the National Population and Development Policy and Plan of Action	March 27-28, 2018
April	Senior Secretary	Jamaica Employers Federation (JEF)	Performance Management & Evaluation	April 25 - 27, 2018
April	i. Inspector, Non-Construction Contracts (5) ii. Senior Inspector, Non-Construction Contracts iii. Inspector, Construction Contracts (4) iv. Director, Construction Contracts v. Senior Inspector, Construction Contracts vi. Senior Special Investigator vii. Legal and Investigating Officer viii. Special Investigator ix. Legal Officer x. Chief Investigator xi. Technical Officer xii. Forensic Accountant	Training exercise with the Procurement and Asset Policy Unit (PAPU) of the Ministry of Finance and the Public Service Held at the Integrity Commission, Oxford Road	Training with the Commission's Officers on the Audit functionality of the e- platform. The exercise served to sensitise the Officers on how to access Tender details during the entire life cycle of the Tender instead of at the end.	April 30, 2018
May	Payroll Officer	Management Institute for National Development (MIND)	Government Accounting Level 1 – Module 2	May 14-18, 2018
May	Administrative Assistant	Mona School of Business	Business Communication Suite	May 5, 12, 19, 26, 2018
May	i. Accountant ii. Chief Accountant	The Accountant General's Department	Training Session for the Web Enabled CTMS Application for Financial Officers	May 17, 18, 22, 2018
May	Senior Secretary	Ministry of Finance and the Public Service Training Lab	Public Employees' Pension Administration System (PEPAS) Training	May 28-29, 2018

June	Director, Non-Construction Contracts	International Visitor Leadership Program Sponsored by the Department of State (USA) Washington, D.C.	International Visitor Leadership Program	June 11 – 29, 2018
June	Inspector, Construction Contracts (5)	Jamaica International Arbitration Centre Limited and The Jamaica Chamber of Commerce.	FIDIC Workshop	June 26- 27, 2018
June	i. Building Custodian ii. Office Attendant	Management Institute for National Development (MIND)	Service Skills for Ancillary Workers	June 26 & 28, 2018 and July 3 & 5, 2018
July	i. Inspector, Non Construction Contracts (2) ii. Technical Officer iii. Senior Inspector. Construction Contracts	Association of Certified Fraud Examiners (ACFE) and the International Narcotics and Law Enforcement (INL) Affairs Section of the U.S. Embassy Double Tree Hotel, Hilton, Philadelphia, U.S.A.	Professional Interview Skills	July 24-25, 2018
July	i. Director, Information Systems ii. Network and Security Officer iii. Application and Web Developer iv. Chief Investigator v. Director, Non Construction Contracts vi. Senior Special Investigator	International Narcotics and Law Enforcement (INL) Affairs Section of the U.S. Embassy At the Courtleigh Hotel	Digital Forensic Extraction Devices	July 9-13, 2018
July	i. Senior Special Investigator ii. Technical Officer iii. Registrar iv. Director, Construction Contracts v. Special Investigator	Planning Institute of Jamaica (PIOJ)	Safety Wardens Training	July 24 and 25, 2018
July	Director, Construction Contracts	The Southern Forest Products Association (SFPA) Wood Seminar Held at the Courtyard Marriott	A Technical Seminar to train Wood Traders and Wood Specifiers (Builders, Architects, Engineers, Joinery and Furniture Producers) on proper selection and use of softwood lumber	July 27, 2018

			from the United States	
July	Thirty-Three (33) members of Staff	Management Institute for National Development (MIND)	Public Procurement Law & Regulations Training	July, 2018
August	<ul style="list-style-type: none"> i. Senior Inspector, Non Construction Contracts ii. Inspector, Non Construction Contracts (2) iii. Officer Manager iv. Senior Inspector, Construction Contracts 	The International Procurement Institute (INPRI) Public Sector Procurement Certification Series	Performance Auditing and Procurement Function, Level Four	Aug. 27-30 2018
August	<ul style="list-style-type: none"> i. Technical Officer ii. Inspector, Construction Contracts (2) 	<p>Association of Certified Fraud Examiners (ACFE) and the International Narcotics and Law Enforcement (INL) Affairs Section of the U.S. Embassy</p> <p>Training in Washington D.C., USA</p>	Understanding the Mind-Set of a Fraudster and Government Fraud	August 27-30, 2018
September	Secretary	Jamaica Employer's Federation (JEF)	Fundamentals of Human Resources Management	September 20-21, 2018
September	<ul style="list-style-type: none"> i. Technical Officer ii. Inspector, Construction Contracts iii. Registrar iv. Senior Special Investigator 	<p>Jamaica Employers' Federation (JEF), in collaborating with the International Labour Organisation (ILO) and UN Women Multi-Country Office (MCO)</p> <p>Mona Visitors' Lodge</p>	One-Day Gender and Diversity Workshop	September 27, 2018
October	<ul style="list-style-type: none"> i. Senior Secretary ii. Executive Secretary 	<p>Jamaica Employer's Federation (JEF)</p> <p>Report Writing & Note Taking Skills</p>	Report Writing & Note Taking Skills	October 3-4, 2018
October	Human Resource Manager	Jamaica Employers' Federation (JEF)	Dealing with Sexual Harassment in the Workplace	October 12, 2018

October	<ul style="list-style-type: none"> i. Registrar ii. Systems Analyst 	Jamaica Employers' Federation (JEF)	Making the Transition from Staff Member to Supervisor	October 30-31, 2018
October	<ul style="list-style-type: none"> i. Director of Investigations (Interim) ii. Director of Corruption Prosecutions (Acting) iii. Director of Information & Complaints (Interim) iv. Financial Analyst v. Chief Financial Investigator vi. Chief Investigator vii. Senior Special Investigator viii. Special Investigator ix. Special Investigator & Communications Officer x. Technical Officer xi. Legal & Investigating Officer xii. Legal Officer xiii. Director, Non Construction Contracts xiv. Senior Inspector xv. Inspector, Non- Construction Contracts (5) xvi. Director, Construction Contract xvii. Senior Inspector, Construction Contracts xviii. Inspector, Construction Contracts (4) 	United Nations Office on Drugs and Crime (UNODC) Courtleigh Hotel & Suites	Anti-Corruption Training Workshop for Investigating and Prosecuting Cases of Corruption	October 24 – 26, 2018
October	<ul style="list-style-type: none"> i. Accountant ii. Senior Accounts Officer iii. Payroll Officer 	Accountant Generals' Department	WEB Enabled CTMS Training	October 22, 2018
November	<ul style="list-style-type: none"> i. Human Resource Manager ii. Administrative Assistant iii. Registrar iv. Inspector, Construction Contracts v. Technical Officer vi. Executive Secretary vii. Director, Construction Contracts viii. Director, Information Systems 	Jamaica Employer's Federation (JEF) (JEF in collaboration with the International Labour Organization (ILO), The European Union (EU), The Jamaica Productivity Centre (JPC) and UN Women Multi-Country Office (MCO) for this Workshop)	Gender and Productivity Workshop	November 27, 2018
December	Director, Investigations (Interim)	General Legal Council Held at the Jamaica Pegasus	5th Biennial Conference CCJ Academy of Law	December 13-15, 2019

<p style="text-align: center;">2019</p> <p>January</p>	Executive Director (Interim)	International Association of Anti-Corruption Authorities (IAACA) Held in Vienna, Austria	10 th Annual Conference and General Meeting of the International Association of Anti-Corruption Authorities (IAACA) under the Theme: <i>"15 Years of the United Nations Convention Against Corruption: Accomplishments and Prospects"</i>	January 22-24, 2019
February	Registrar	University of the Commonwealth Caribbean	Records and Information Management	February 18, 2019 – April 26, 2019
February	Financial Investigator	Organised by the UNDP, the Global Fund and WHO Geneva, Switzerland	Consultation Workshop for the proposed Global Network on Anti-Corruption, Transparency and Accountability (ACTA) in Health Systems at the Global Health Campus	February 26-28, 2019
March	i. Senior Inspector, Construction Contracts ii. Inspector, Construction Contracts (5)	Held by Jamaica International Arbitration Centre Limited and Jamaica Chamber of Commerce	Construction Projects and Dispute Management Training	March 21 - 23, 2019
March	38 Staff Members drawn from both Office locations	Held at the Oxford Road Location of the Integrity Commission Strategic Alignment Limited (SAL)	Leadership Training	March 7, 14, 21, 2019 & April 4, 2019

INFORMATION SYSTEMS DIVISION

Throughout the period February 22, 2018 to March 31, 2019, the Integrity Commission's Information Systems Division (ISD) worked to assess, integrate and upgrade where necessary the Information Technology infrastructure of the legacy Office of the Contractor General, legacy Commission for the Prevention of Corruption and legacy Integrity Commission. The server infrastructure of the new entity was deemed obsolete as most major components had passed end of life and were failing intermittently. An IT Infrastructure upgrade strategy was developed for implementation in the 2019-2020 fiscal year.

To achieve the mandate of the new Integrity Commission, the existing IT infrastructure needed to be upgraded and integrated. The upgraded infrastructure will facilitate the sharing of IT resources across both Integrity Commission sites. An increased efficiency will result from the scaling of the IT capabilities across the Oxford Road and Barbados Avenue offices; a leaner infrastructure supporting a larger user base with more modern capabilities.

SUPPORT OF STRATEGIC PORTFOLIOS

The Integrity Commission and National Contracts Commission (NCC) Websites

The Integrity Commission utilises and maintains the following two (2) websites:

- The Integrity Commission's website – www.integrity.gov.jm
- The National Contracts Commission's website – www.ncc.gov.jm

The websites provide pertinent information on matters which relate to the work of the Integrity Commission and the NCC. As part of the integration process, relevant information is being ported from legacy Commissions' websites to the Integrity Commission's webspace.

The primary purpose of the websites is to provide a medium which promotes standards of ethical conduct among parliamentarians, public officials and other persons while promoting transparency in the Government of Jamaica's (GOJ's) Procurement and Contract Award Processes. The websites also seek to ensure that useful and timely information, which relates to the monitoring and investigative functions of the Integrity Commission, is easily accessible to all stakeholders.

Graph showing www.integrity.gov.jm website visits over the period January to March 2019



During the period of January to March 2019, the site had 3,265 pages being viewed.

Table showing the top five (5) most visited pages on www.integrity.gov.jm*, for the reporting period

Page Views / % of total	PAGE	DESCRIPTION
1,188 /36.39%	Home page	This is the landing page for the website, the official welcome to the IC webspace.
623 /19.08%	Statutory Declaration Form	Provides a form for Statutory Declaration of Assets, Liabilities and Income of Parliamentarians and Public Officials
273 /8.36%	Contact Us	Provides contact information for the Integrity Commission.
224/6.86%	Career Opportunities	Provides a list of available job vacancies at the Integrity Commission
130/3.98%	Career Opportunity – Network and Security Officer (MIS/IT 4)	Provided information on the then vacant Network and Security Officer

* The Home page of the website was excluded from the results.

Integrity Commission's Web Portal

The Integrity Commission's Web Portal was developed to advance the receipt, consolidation and assessment of contract awards which were made by Public Bodies. The system was launched in the third (3rd) quarter of 2012 and facilitated an expansion in the scope of the Quarterly Contract Awards (QCA) Regime. Public Bodies are now required to report on all contracts awarded over J\$500,000.00, which would include contracts that required the endorsement of the NCC.

Public Bodies' contract award information submitted via the Integrity Commission's Web Portal are published on the Integrity Commission's website and may be accessed via the URL <https://integrity.gov.jm/integrity/qca-consol> or by scanning the following graphic with a mobile device. This functionality will be ported to the new Integrity Commission's website.



Procurement Notice Board

The GOJ Procurement Notice Board is an online tool used to search for procurement opportunities issued by Public Bodies. Suppliers and the general public may search the notice board for these opportunities based on keyword, category, agency or required grade. Members of the public also have the option to register in order to receive email notifications whenever the notice board is updated with a procurement opportunity that matches their interest.

The Procurement Notice Board may be accessed via the URL <https://procurement.gov.jm> or by scanning the following graphic with a mobile device.



INTERNAL OPERATIONS

Service Request Management

Outstanding Requests At the Start of the Year	39
New Requests Submitted	1,275
Requests Completed	1,227
Duplicated Requests	49
Requests Outstanding at End of the Year	34

Service Monitoring

Target Monitored	Percentage of the year available
Website:integrity.gov.jm	96.2344 %
Internal Infrastructure:servers	99.8562 %
Internal Infrastructure:VoIP	99.9635 %
Application:Document Management Service	100.0000 %

*Checks are performed once a week. If the service is in a failed state it is recorded that the service was unavailable for the entire week.

AUDITED FINANCIAL STATEMENTS

INTEGRITY COMMISSION

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2018

**INTEGRITY COMMISSION
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018**

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INDEPENDENT AUDITOR'S REPORT

**To the members of
Integrity Commission**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Integrity Commission (the "Commission"), set out on pages 4 to 20 which comprise the statement of financial position as at March 31, 2018, the statement of financial performance, the statement of changes in net assets, and the statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Commission as at March 31, 2018, and of its financial performance and cash flows for the period then ended in accordance with International Public Sector Accounting Standards, International Financial Reporting Standards and the requirements of the Integrity Commission Act (2017), the Public Bodies Management and Accountability Act, and the Financial Administration and Audit Act (the "Acts").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards, International Financial Reporting Standards and the Acts, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

The Board of Commissioners is responsible for overseeing the Commission's financial reporting process.

Independent Auditor's Report (cont'd)

**To the members of
Integrity Commission****Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

Independent Auditor's Report (cont'd)

**To the members of
Integrity Commission**

We communicate with the Board of Commissioners regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on additional matters as required by the Acts

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Acts, in the manner required.

Crichton Mullings & Assoc.
Crichton Mullings & Associates
Chartered Accountants

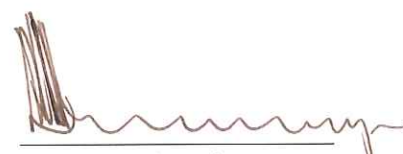
Kingston Jamaica
June 28, 2019

**INTEGRITY COMMISSION
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED MARCH 31, 2018**

	Note	Period Started February 22 to March 31 2018 \$
ASSETS		
Non-current Assets		
Plant and equipment	5	35,244,741
Long-term receivables	6	4,526,691
		39,771,432
Current Assets		
Prepayments	6	44,722
Cash and bank balances	7	47,190,337
		47,235,059
TOTAL ASSETS		87,006,491
RESERVES AND LIABILITIES		
Reserves		
Capital reserves	8	34,946,910
Plant and equipment reserves		(934,990)
Accumulated surplus		6,400,280
		40,412,200
Current liabilities		
Payables and accruals	9	9,486,170
Due to consolidated fund	10	37,108,121
		46,594,291
TOTAL RESERVES AND LIABILITIES		87,006,491

APPROVED, on behalf of the Commission on


Chairman


Executive Director

The accompanying notes form an integral part of the financial statements

**INTEGRITY COMMISSION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED MARCH 31, 2018**

	Note	Period Started February 22 to March 31 2018 \$
Income	4	46,988,056
Administrative and general expenses	11	<u>40,587,776</u>
Net surplus for the period, being total financial performance		<u><u>6,400,280</u></u>

The accompanying notes form an integral part of the financial statements

**INTEGRITY COMMISSION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE PERIOD ENDED MARCH 31, 2018**

	Capital Reserves	Plant and Equipment Reserves	Accumulated Surplus	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance at February 21, 2018	34,946,910		-	34,946,910
Depreciation charge for the period		(934,990)		(934,990)
Net surplus, being total financial performance for the period	<u>-</u>	<u>-</u>	<u>6,400,280</u>	<u>6,400,280</u>
Balance at March 31, 2018	<u>34,946,910</u>	<u>(934,990)</u>	<u>6,400,280</u>	<u>40,412,200</u>

The accompanying notes form an integral part of the financial statements

**INTEGRITY COMMISSION
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2018**

	Note	Period Started February 22 to March 31 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net surplus for the period		6,400,280
Increase in operating assets:		
Long-term receivables		(4,526,691)
Prepayment		(44,722)
Increase in operating liabilities:		
Payables and accruals		9,486,169
Due to consolidated fund		<u>37,108,121</u>
Net cash provided by operating activities		<u>48,423,157</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment		(35,377,818)
Acquisition of merged plant and equipment		<u>(801,912)</u>
Net cash used in investing activities		<u>(36,179,730)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital reserves		<u>34,946,910</u>
Net cash provided by financing activities		<u>34,946,910</u>
NET INCREASE IN CASH AND BANK BALANCES		47,190,337
CASH AND BANK BALANCES - Beginning of the period		<u>-</u>
CASH AND BANK BALANCES - End of the period		<u><u>47,190,337</u></u>
REPRESENTED BY:		
Cash and bank balances	8	<u><u>47,190,337</u></u>

The accompanying notes form an integral part of the financial statements

**INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018**

1. IDENTIFICATION

The Integrity Commission (the "Commission") was established under the Integrity Commission Act (2017) (the "Act").

The Commission is incorporated and domiciled in Jamaica.

The functions of the Commission are as follows:

- (a) To determine effective measures for the prevention and detection of corruption within public bodies;
- (b) Prepare codes of conduct and other advisory material relating to corruption and guide public bodies in respect of matters within the purview of this Act;
- (c) Collaborate or co-operate with other persons or bodies, whether in Jamaica or outside of Jamaica, duly authorized to prevent, combat and investigate acts of corruption, so as to implement an integrated approach to the eradication of corruption;
- (d) Advise the Minister on such legislative reform as the Commission considers necessary to reduce the likelihood or the occurrence of acts of corruption; and
- (e) Compile and publish statistics relating to the investigation, prosecution and conviction of offences relating to acts of corruption.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of Compliance

The Commission's financial statements have been prepared in accordance and comply with International Public Sector Accounting Standards (IPSAS) for the accrual basis accounting; International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board and the relevant requirements of the Act.

The financial statements have been prepared under the historical cost basis and are expressed in Jamaican dollars, unless otherwise indicated.

The preparation of financial statements in conformity with IPSAS, IFRS and the Act requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year then ended. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

There are no significant assumptions and judgements applied in these financial statements that carry a risk of material adjustment in the next financial year.

**INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018**

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

2. (CONT'D)

(b) Changes in accounting standards and interpretations

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Commission has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following interpretations and amendments are relevant to its operations:

- *IFRS 9 'Financial Instruments', Amendment', issued September 2016*
Effective for periods commencing on or after 1 January 2018
- *IFRIC 22 'Foreign Currency Transactions and Advance Consideration', issued December 2016*
Effective for periods commencing on or after 1 January 2018

The following new standards, amendments and interpretations, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Commission's future financial statements:

- *IFRS 9 'Financial Instruments - Amendment', issued October 2017*
Effective for periods commencing on or after 1 January 2019
- *IFRS 16 'Leases - Amendment', issued January 2016*
Effective for periods commencing on or after 1 January 2019

The Board of Commissioners anticipate that the adoption of the standards, amendments and interpretations, which are relevant to the Commission in future periods is unlikely to have any material impact on the financial statements.

**INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018**

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(c) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS and the Act requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the period then ended. Actual amounts could differ from these estimates.

The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Critical judgements in applying the Commission's accounting policies:

Critical judgements used in applying the Commission's accounting policies that have a significant risk of material adjustment in the next financial year relate to the estimated useful lives and residual values of property and equipment and pension and other post-employment benefits.

The residual values and the useful life of each asset are renewed at each financial year-end, and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The useful life of an asset is defined in terms of the asset's expected utility to the Commission.

**INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018**

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Property and equipment

All property and equipment held for administrative purposes, are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Commission and its cost can be reliably measured.

The cost of day-to-day servicing of property and equipment is recognized in the statement of comprehensive income as incurred.

Depreciation is calculated on the straight-line basis over the estimated useful lives of such assets. The rates of depreciation in use are:

Computers	25%
Furniture, fixtures & equipment	10%
Motor vehicles	20%
Leasehold improvements	20%

(b) Long-term receivables

Long-term receivables are recognized at amortized cost. Appropriate allowances for estimated irrecoverable amounts are recognized in the statement of comprehensive income when there is objective that the asset is impaired.

(c) Accounts payable

Accounts payable is stated at amortized cost.

(d) Cash and bank balances

Cash and bank balances comprise cash in hand and cash with banks.

(e) Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to statement of comprehensive income on a straight-line basis over the terms of the relevant lease.

(f) Income recognition

Income comprises recurrent subvention received from the Government of Jamaica ("GOJ") and interest income. Subvention from GOJ is recognized when it is received while interest income is recognized when it is earned.

(g) Provisions

Provisions are recognized when the Commission has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment

The Commission recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. At reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition, the loss allowance is measured for financial asset at an amount equal to twelve months expected credit losses.

(i) Financial instruments

Financial instruments include transactions that give rise to both financial assets and financial liabilities. Financial assets and liabilities are recognised on the Commission's statement of financial position when the Commission becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments issued by the Commission are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Commission after deducting all of its liabilities.

Financial assets include cash and bank deposits, accounts receivable, long-term receivables and other current assets except inventories and any prepayments.

The fair values of the financial instruments are discussed in Note 15.

(j) Employee benefits

Employee benefits are all forms of consideration given by the Commission in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, statutory contributions, vacation leave, non-monetary benefits such as medical care; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognized in the following manner:

- Short-term employee benefits are recognized as a liability, net of payments made, and charged to expense. The expected cost of vacation leave that accumulates is recognized when the employee becomes entitled to the leave.

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the Commission operates (its functional currency).

In preparing the financial statements of the Commission, transactions in currencies other than the Commission's functional currency, the Jamaican dollar, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items, are included in the statement of comprehensive income for the period.

(l) Related party identification

A party is related to the Commission if:

- (i) directly or indirectly the party:
 - controls, is controlled by, or is under common control with the Commission;
 - has an interest in the Commission that gives it significant influence over the Commission; or
 - has joint control over the Commission
- (ii) the party is an associate of the Commission
- (iii) the party is a joint venture in which the Commission is a venturer;
- (iv) the party is a member of the key management personnel of the Commission
- (v) the party is a close member of the family of an individual referred to in (i) or (iv) above
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v) above.
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Commission, or of any company that is a related party of the Commission.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

**INTEGRITY COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018**

4. INCOME

Income represents subvention from the Government of Jamaica from the annual national budget as well as periodic allocations. Other income represents interest earned on the Commission's cash and bank balances during the year. The Commission's income is exempt from income tax under section 12(b) of the Income Tax Act.

5. PLANT AND EQUIPMENT

	<u>Leasehold Improvements</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Computers</u>	<u>Motor Vehicles</u>	<u>Total</u>
	\$	\$	\$	\$	\$
At Cost/Valuation:					
Balance at February 21, 2018	3,013,626	20,349,031	34,049,543	13,789,202	71,201,402
Additions		510,532	291,380	-	801,912
Balance at March 31, 2018	<u>3,013,626</u>	<u>20,859,563</u>	<u>34,340,923</u>	<u>13,789,202</u>	<u>72,003,314</u>
Accumulated Depreciation:					
Balance at February 21, 2018	2,744,898	16,843,002	8,047,092	8,188,591	35,823,583
Charge for year		172,627	762,363		934,990
Balance at March 31, 2018	<u>2,744,898</u>	<u>17,015,629</u>	<u>8,809,455</u>	<u>8,188,591</u>	<u>36,758,573</u>
Net Book Value:					
At March 31, 2018	<u>268,728</u>	<u>3,843,934</u>	<u>25,531,468</u>	<u>5,600,611</u>	<u>35,244,741</u>

**INTEGRITY COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018**

6. LONG-TERM RECEIVABLES AND PREPAYMENTS

	Period Started February 22 to March 31 2018 \$	
Staff loan	<u><u>4,526,691</u></u>	
Commissioners' fee receivable	<table border="1" style="float: right;"><tr><td style="text-align: right;">35,253</td></tr></table>	35,253
35,253		
Withholding tax	<table border="1" style="float: right;"><tr><td style="text-align: right;">9,469</td></tr></table>	9,469
9,469		
	<u><u>44,722</u></u>	

The Commission has 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:

- (i) The loan amount for new vehicles should not exceed \$2,500,000 and for used vehicles the amount should not exceed \$1,500,000.
- (ii) An interest rate of 3% on the reducing balance is charged, if loans exceed the minimum amount of \$1,500,000 for new vehicles and \$1,000,000 for used vehicle.
- (iii) Loans should be repaid over a seven (7) year period for new vehicles and six (6) years for used vehicles
- (iv) Only one loan is permitted within a five (5) year period to each employee
- (v) The motor vehicle purchased should not be older than five (5) years
- (vi) All loans should be recovered by salary deduction.

7. CASH AND BANK BALANCES

Cash and bank balances included in the statement of financial position and statement of cash flows comprise the following:

	Period Started February 22 to March 31 2018 \$	
Petty cash	<table border="1" style="float: right;"><tr><td style="text-align: right;">120,000</td></tr></table>	120,000
120,000		
Cash in savings accounts (<i>see note 10</i>)	<table border="1" style="float: right;"><tr><td style="text-align: right;">8,952,246</td></tr></table>	8,952,246
8,952,246		
Cash in chequing accounts (<i>see note 10</i>)	<table border="1" style="float: right;"><tr><td style="text-align: right;">36,804,202</td></tr></table>	36,804,202
36,804,202		
Cash in foreign currency account	<table border="1" style="float: right;"><tr><td style="text-align: right;">1,313,889</td></tr></table>	1,313,889
1,313,889		
	<u><u>47,190,337</u></u>	

**INTEGRITY COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018**

8. CAPITAL RESERVES

This represents net assets of the three legacy entities merged on February 22, 2018:

	Period Started February 22 to March 31 2018 \$
Office of the Contractor General	33,010,640
Commission for the Prevention of Corruption	(4,702,646)
Integrity Commission (Legacy)	6,638,916
	34,946,910

9. PAYABLES AND ACCRUALS

	Period Started February 22 to March 31 2018 \$
Statutory liabilities	1,050
Accrued vacation leave	7,969,849
Accruals	501,851
Accrued audit fees	1,013,420
	9,486,170

10. DUE TO CONSOLIDATED FUND

This represents the amount of cash being held at financial institutions which is payable to the Accountant General:

	Period Started February 22 to March 31 2018 \$
Scotia Bank chequing account (OCG)	303,918
Scotia Bank chequing account (CPC)	35,003,108
NCB chequing account (Integrity Commission Legacy)	1,801,095
	37,108,121

**INTEGRITY COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018**

11. ADMINISTRATIVE AND GENERAL EXPENSES

	Period Started February 22 to March 31 2018 \$
Salaries, wages and related costs	23,272,341
Employer's statutory contributions	658,448
Gratuity payments	2,946,549
Travelling and subsistence	3,722,158
Rental of office space and parking lot	4,975,592
Utilities and communication	1,179,102
General office expenses	3,833,586
	40,587,776

12. SOURCE AND USES OF FUNDS

The budgeted income and expenditure for the period February 22 to March 31 are as follows:

	\$
Income	51,645,918
Expenditure:	
Compensation of employees	29,452,999
Travelling and subsistence	3,722,158
Rental of property and machinery	4,975,591
Utilities and communication	1,179,101
Use of goods and services	3,420,352
Gratuity payments	3,302,863
	46,053,064
Operating surplus	5,592,855
Capital:	
Fixed assets/ capital goods	(934,990)
TOTAL	4,657,864

**INTEGRITY COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018**

13. STAFF COSTS

The number of employees at the end of the year/period was as follows:

	Period Started February 22 to March 31 2018
Permanent	13
Contract workers	65
	78

The aggregate payroll costs for these persons were as follows:

	\$
Salaries and other related costs	23,272,341
Gratuity payments	2,946,549
Statutory contributions	658,448
	26,877,338

14. RELATED PARTIES

The Commission's statement of financial performance includes the following transactions, undertaken with related parties in the ordinary course of business:

	Period Started February 22 to March 31 2018 \$
Renumeration for key management personnel:	
Director of Information and Complaint	657,782
Director of Corruption Prosecution	1,974,061
Director of Investigation	727,963
Chief Financial Investigator	542,217
Senior Financial Analyst	413,247
	4,315,270

15. FINANCIAL INSTRUMENTS**(a) Fair value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognized stock exchange) exists, is the best evidence of the fair value of a financial instrument. Market prices are not available for some of the financial assets and liabilities of the Commission. Fair values in the financial statements have therefore been presented using various estimation techniques based on market conditions existing at reporting date.

Generally, considerable judgement is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Commission would realise in a current market exchange.

The amounts included in the financial statements for cash and bank deposits, receivable and payables, reflect the approximate fair values because of short-term maturity of these instruments.

**INTEGRITY COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018**

15. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Commission has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Cash flow risk

The Commissioners, together with senior management has overall responsibility for the establishment and oversight of the Commission's risk management framework.

The Commission's risk management policies are established to identify and analyse the risks faced by the commission in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Commission's activities.

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission's principal financial assets are cash and bank deposits; and receivables and prepayments.

Cash and bank balances

The credit risk on cash and bank deposits is limited as they are held with financial institutions with high credit rating.

At reporting date, there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

	Period Started February 22 to March 31 2018 \$
Cash and bank balances	<u>47,190,337</u>

(ii) Liquidity risk

Liquidity risk is the risk that the Commission will not meet its financial obligations as they fall due. The Commission's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Commission.

**INTEGRITY COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018**

15. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd):

(ii) Liquidity risk (cont'd)

Management aims at maintaining sufficient cash and the availability of funding through an amount of committed facilities. The management maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

The following are the contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Less than 1 year
March 31, 2018:			
Accounts payable	<u>9,486,170</u>	<u>9,486,170</u>	<u>9,486,170</u>

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Commission's income or the value of its holding of financial instruments. The objective is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Commission materially contracts financial liabilities at fixed interest rates for the duration of the term. When utilised, bank overdrafts are subject to fixed interest rates which may be varied by appropriate notice by the lender. At March 31, 2018, there were no financial liabilities subject to variable interest rate risk.

Interest-bearing financial assets comprises of bank deposits, which have been contracted at fixed interest rates for the duration of their terms.

Fair value sensitivity analysis for fixed rate instruments

The Commission does not hold any fixed rate financial assets that are subject to material changes in fair value through profit or loss. Therefore, a change in interest rates at the reporting dates would not affect profit or equity.

INTEGRITY COMMISSION

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

**INTEGRITY COMMISSION
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the members of Integrity Commission

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Integrity Commission (the "Commission"), set out on pages 4 to 21 which comprise the statement of financial position as at March 31, 2019, the statement of financial performance, the statement of changes in net assets, and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Commission as at March 31, 2019, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards, International Financial Reporting Standards and the requirements of the Integrity Commission Act (2017), the Public Bodies Management and Accountability Act, and the Financial Administration and Audit Act (the "Acts").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements section of our report*. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards, International Financial Reporting Standards and the Acts, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

The Board of Commissioners is responsible for overseeing the Commission's financial reporting process.

Independent Auditor's Report (cont'd)

To the members of Integrity Commission

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

Independent Auditor's Report (cont'd)

**To the members of
Integrity Commission**

We communicate with the Board of Commissioners regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on additional matters as required by the Acts

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Acts, in the manner required.

Crichton Mullings & Assoc.
Crichton Mullings & Associates
Chartered Accountants

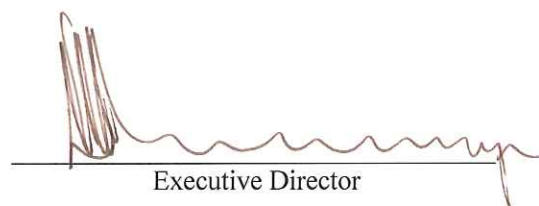
Kingston Jamaica
June 28, 2019

**INTEGRITY COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019**

	Note	Twelve Months Ended March 2019 \$	Period Started February 22 to March 31 2018 \$
ASSETS			
Non-current Assets			
Plant and equipment	6	33,933,876	35,244,741
Long-term receivables	7	2,895,861	4,526,691
		<u>36,829,737</u>	<u>39,771,432</u>
Current Assets			
Prepayments	7	9,227,091	44,722
Cash and bank balances	8	54,450,524	47,190,337
		<u>63,677,615</u>	<u>47,235,059</u>
TOTAL ASSETS		<u><u>100,507,352</u></u>	<u><u>87,006,491</u></u>
RESERVES AND LIABILITIES			
Reserves			
Capital reserves	9	34,946,910	34,946,910
Plant and equipment reserves		(11,102,225)	(934,990)
Accumulated surplus		16,783,822	6,400,280
		<u>40,628,507</u>	<u>40,412,200</u>
Current liabilities			
Payables and accruals	10	19,347,368	9,486,170
Due to consolidated fund	11	40,531,477	37,108,121
		<u>59,878,845</u>	<u>46,594,291</u>
TOTAL RESERVES AND LIABILITIES		<u><u>100,507,352</u></u>	<u><u>87,006,491</u></u>

APPROVED, on behalf of the Commission on


Chairman


Executive Director

The accompanying notes form an integral part of the financial statements

**INTEGRITY COMMISSION
STATEMENT OF FINANCIAL PERFORMANCE
YEAR ENDED MARCH 31, 2019**

	Note	Twelve Months Ended March 2019 \$	Period Started February 22 to March 31 2018 \$
Income	4	433,182,847	46,988,056
Administrative and general expenses	12	<u>442,257,876</u>	<u>40,587,776</u>
Operating (deficit) / surplus		(9,075,029)	6,400,280
Other income			
Grant	5	19,378,750	-
Interest income		<u>79,821</u>	<u>-</u>
		<u>19,458,571</u>	<u>-</u>
Net surplus for the year / period, being total financial performance		<u><u>10,383,542</u></u>	<u><u>6,400,280</u></u>

The accompanying notes form an integral part of the financial statements

**INTEGRITY COMMISSION
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2019**

	Capital Reserves	Plant and Equipment Reserves	Accumulated Surplus	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance at February 21, 2018	34,946,910		-	34,946,910
Depreciation charge for the period		(934,990)		(934,990)
Net surplus, being total financial performance for the period	<u>-</u>	<u>-</u>	<u>6,400,280</u>	<u>6,400,280</u>
Balance at March 31, 2018	34,946,910	(934,990)	6,400,280	40,412,200
Depreciation charge for the year		(10,167,235)		(10,167,235)
Net surplus, being total financial performance for the year	<u>-</u>	<u>-</u>	<u>10,383,542</u>	<u>10,383,542</u>
Balance at March 31, 2019	<u>34,946,910</u>	<u>(11,102,225)</u>	<u>16,783,822</u>	<u>40,628,507</u>

The accompanying notes form an integral part of the financial statements

**INTEGRITY COMMISSION
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2019**

	Note	Twelve Months Ended March 2019 \$	Period Started February 22 to March 31 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net surplus for the year/period		10,383,542	6,400,280
Decrease / (increase) in operating assets:			
Long-term receivables		1,630,831	(4,526,691)
Prepayment		(9,182,370)	(44,722)
Increase in operating liabilities:			
Payables and accruals		9,861,198	9,486,169
Due to consolidated fund		3,423,356	37,108,121
Net cash provided by operating activities		<u>16,116,557</u>	<u>48,423,157</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		(8,856,370)	(35,377,818)
Acquisition of merged plant and equipment		-	(801,912)
Net cash used in investing activities		<u>(8,856,370)</u>	<u>(36,179,730)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital reserves		-	34,946,910
Net cash provided by financing activities		<u>-</u>	<u>34,946,910</u>
NET INCREASE IN CASH AND BANK BALANCES		7,260,187	47,190,337
CASH AND BANK BALANCES - Beginning of the year/period		<u>47,190,337</u>	<u>-</u>
CASH AND BANK BALANCES - End of the year/period		<u>54,450,524</u>	<u>47,190,337</u>
REPRESENTED BY:			
Cash and bank balances	8	<u>54,450,524</u>	<u>47,190,337</u>

The accompanying notes form an integral part of the financial statements

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

1. IDENTIFICATION

The Integrity Commission (the "Commission") was established under the Integrity Commission Act (2017) (the "Act").

The Commission is incorporated and domiciled in Jamaica.

The functions of the Commission are as follows:

- (a) To determine effective measures for the prevention and detection of corruption within public bodies;
- (b) Prepare codes of conduct and other advisory material relating to corruption and guide public bodies in respect of matters within the purview of this Act;
- (c) Collaborate or co-operate with other persons or bodies, whether in Jamaica or outside of Jamaica, duly authorized to prevent, combat and investigate acts of corruption, so as to implement an integrated approach to the eradication of corruption;
- (d) Advise the Minister on such legislative reform as the Commission considers necessary to reduce the likelihood or the occurrence of acts of corruption; and
- (e) Compile and publish statistics relating to the investigation, prosecution and conviction of offences relating to acts of corruption.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of Compliance

The Commission's financial statements have been prepared in accordance and comply with International Public Sector Accounting Standards (IPSAS) for the accrual basis accounting; International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board and the relevant requirements of the Act.

The financial statements have been prepared under the historical cost basis and are expressed in Jamaican dollars, unless otherwise indicated.

The preparation of financial statements in conformity with IPSAS, IFRS and the Act requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year then ended. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

There are no significant assumptions and judgements applied in these financial statements that carry a risk of material adjustment in the next financial year.

**INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(b) Changes in accounting standards and interpretations

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Commission has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following interpretations and amendments are relevant to its operations:

- *IFRS 9 'Financial Instruments', Amendment', issued September 2016*
Effective for periods commencing on or after 1 January 2018

- *IFRIC 22 'Foreign Currency Transactions and Advance Consideration', issued December 2016*
Effective for periods commencing on or after 1 January 2018

The following new standards, amendments and interpretations, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Commission's future financial statements:

- *IFRS 9 'Financial Instruments - Amendment', issued October 2017*
Effective for periods commencing on or after 1 January 2019

- *IFRS 16 'Leases - Amendment', issued January 2016*
Effective for periods commencing on or after 1 January 2019

The Board of Commissioners anticipate that the adoption of the standards, amendments and interpretations, which are relevant to the Commission in future periods is unlikely to have any material impact on the financial statements.

**INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

(c) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS and the Act requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the period then ended. Actual amounts could differ from these estimates.

The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Critical judgements in applying the Commission's accounting policies:

Critical judgements used in applying the Commission's accounting policies that have a significant risk of material adjustment in the next financial year relate to the estimated useful lives and residual values of property and equipment and pension and other post-employment benefits.

The residual values and the useful life of each asset are renewed at each financial year-end, and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The useful life of an asset is defined in terms of the asset's expected utility to the Commission.

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Property and equipment

All property and equipment held for administrative purposes, are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Commission and its cost can be reliably measured.

The cost of day-to-day servicing of property and equipment is recognized in the statement of comprehensive income as incurred.

Depreciation is calculated on the straight-line basis over the estimated useful lives of such assets. The rates of depreciation in use are:

Computers	25%
Furniture, fixtures & equipment	10%
Motor vehicles	20%
Leasehold improvements	20%

(b) Long-term receivables

Long-term receivables are recognized at amortized cost. Appropriate allowances for estimated irrecoverable amounts are recognized in the statement of comprehensive income when there is objective that the asset is impaired.

(c) Accounts payable

Accounts payable is stated at amortized cost.

(d) Cash and bank balances

Cash and bank balances comprise cash in hand and cash with banks.

(e) Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to statement of comprehensive income on a straight-line basis over the terms of the relevant lease.

(f) Income recognition

Income comprises recurrent subvention received from the Government of Jamaica ("GOJ") and interest income. Subvention from GOJ is recognized when it is received while interest income is recognized when it is earned.

(g) Provisions

Provisions are recognized when the Commission has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment

The Commission recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. At reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition, the loss allowance is measured for financial asset at an amount equal to twelve months expected credit losses.

(i) Financial instruments

Financial instruments include transactions that give rise to both financial assets and financial liabilities. Financial assets and liabilities are recognised on the Commission's statement of financial position when the Commission becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments issued by the Commission are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Commission after deducting all of its liabilities.

Financial assets include cash and bank deposits, accounts receivable, long-term receivables and other current assets except inventories and any prepayments.

The fair values of the financial instruments are discussed in Note 16.

(j) Comparative information

Where necessary, comparative figures have been reclassified and or restated to conform to changes in the current year.

(k) Employee benefits

Employee benefits are all forms of consideration given by the Commission in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, statutory contributions, vacation leave, non-monetary benefits such as medical care; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognized in the following manner:

- Short-term employee benefits are recognized as a liability, net of payments made, and charged to expense. The expected cost of vacation leave that accumulates is recognized when the employee becomes entitled to the leave.

INTEGRITY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the Commission operates (its functional currency).

In preparing the financial statements of the Commission, transactions in currencies other than the Commission's functional currency, the Jamaican dollar, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items, are included in the statement of comprehensive income for the period.

(m) Related party identification

A party is related to the Commission if:

- (i) directly or indirectly the party:
 - controls, is controlled by, or is under common control with the Commission;
 - has an interest in the Commission that gives it significant influence over the Commission; or
 - has joint control over the Commission
- (ii) the party is an associate of the Commission
- (iii) the party is a joint venture in which the Commission is a venturer;
- (iv) the party is a member of the key management personnel of the Commission
- (v) the party is a close member of the family of an individual referred to in (i) or (iv) above
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v) above.
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Commission, or of any company that is a related party of the Commission.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

INTEGRITY COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

4. INCOME

Income represents subvention from the Government of Jamaica from the annual national budget as well as periodic allocations. Other income represents interest earned on the Commission's cash and bank balances during the year. The Commission's income is exempt from income tax under section 12(b) of the Income Tax Act.

5. GRANT

This represents a grant received from The Government of the United Kingdom of Great Britain and Northern Ireland acting through the Department for International Development (DFID).

	Twelve Months Ended March	Period Started February 22 to March 31
	2019	2018
	\$	\$
Appropriations-In-Aid (£ 115,000)	<u>19,378,750</u>	<u>-</u>
Direct expenses:		
Compensation and travel allowances	7,913,750	-
Use of goods and services	11,465,000	-
	<u>19,378,750</u>	<u>-</u>

6. PLANT AND EQUIPMENT

	Leasehold Improvements	Furniture, Fixtures and Equipment	Computers	Motor Vehicles	Total
	\$	\$	\$	\$	\$
At Cost/Valuation:					
Balance at February 21, 2018	3,013,626	20,349,031	34,049,543	13,789,202	71,201,402
Additions		510,532	291,380	-	801,912
Balance at March 31, 2018	<u>3,013,626</u>	<u>20,859,563</u>	<u>34,340,923</u>	<u>13,789,202</u>	<u>72,003,314</u>
Additions	-	1,042,964	7,813,406	-	8,856,370
Balance at March 31, 2019	<u>3,013,626</u>	<u>21,902,527</u>	<u>42,154,329</u>	<u>13,789,202</u>	<u>80,859,684</u>
Accumulated Depreciation:					
Balance at February 21, 2018	2,744,898	16,843,002	8,047,092	8,188,591	35,823,583
Charge for year	-	172,627	762,363	-	934,990
Balance at March 31, 2018	<u>2,744,898</u>	<u>17,015,629</u>	<u>8,809,455</u>	<u>8,188,591</u>	<u>36,758,573</u>
Charge for year	268,728	2,365,930	5,625,209	1,907,368	10,167,235
Balance at March 31, 2019	<u>3,013,626</u>	<u>19,381,559</u>	<u>14,434,664</u>	<u>10,095,959</u>	<u>46,925,808</u>
Net Book Value:					
At March 31, 2018	<u>268,728</u>	<u>3,843,934</u>	<u>25,531,468</u>	<u>5,600,611</u>	<u>35,244,741</u>
At March 31, 2019	<u>-</u>	<u>2,520,968</u>	<u>27,719,665</u>	<u>3,693,243</u>	<u>33,933,876</u>

INTEGRITY COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

7. LONG-TERM RECEIVABLES AND PREPAYMENTS

	Twelve Months Ended March 2019 \$	Period Started February 22 to March 31 2018 \$
Staff loan	<u>2,895,861</u>	<u>4,526,691</u>
Prepaid rent	<u>2,007,738</u>	<u>-</u>
Security deposit	<u>7,184,100</u>	<u>-</u>
Commissioners' fee receivable	<u>35,253</u>	<u>35,253</u>
Withholding tax	<u>-</u>	<u>9,469</u>
	<u>9,227,091</u>	<u>44,722</u>

The Commission has 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:

- (i) The loan amount for new vehicles should not exceed \$2,500,000 and for used vehicles the amount should not exceed \$1,500,000.
- (ii) An interest rate of 3% on the reducing balance is charged, if loans exceed the minimum amount of \$1,500,000 for new vehicles and \$1,000,000 for used vehicle.
- (iii) Loans should be repaid over a seven (7) year period for new vehicles and six (6) years for used vehicles
- (iv) Only one loan is permitted within a five (5) year period to each employee
- (v) The motor vehicle purchased should not be older than five (5) years
- (vi) All loans should be recovered by salary deduction.

8. CASH AND BANK BALANCES

Cash and bank balances included in the statement of financial position and statement of cash flows comprise of the following:

	Twelve Months Ended March 2019 \$	Period Started February 22 to March 31 2018 \$
Petty cash	<u>100,000</u>	<u>120,000</u>
Cash in savings accounts (<i>see note II</i>)	<u>10,544,863</u>	<u>8,952,246</u>
Cash in chequing accounts (<i>see note II</i>)	<u>40,422,590</u>	<u>36,804,202</u>
Cash in foreign currency account	<u>3,383,071</u>	<u>1,313,889</u>
	<u>54,450,524</u>	<u>47,190,337</u>

**INTEGRITY COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019**

9. CAPITAL RESERVES

This represents net assets of the three legacy entities merged on February 22, 2018:

	Twelve Months Ended March 2019 \$	Period Started February 22 to March 31 2018 \$
Office of the Contractor General	33,010,640	33,010,640
Commission for the Prevention of Corruption	(4,702,646)	(4,702,646)
Integrity Commission (Legacy)	6,638,916	6,638,916
	34,946,910	34,946,910

10. PAYABLES AND ACCRUALS

	Twelve Months Ended March 2019 \$	Period Started February 22 to March 31 2018 \$
Statutory liabilities	3,708,514	1,050
Accrued vacation leave	11,848,230	7,969,849
Accruals	1,882,204	501,851
Accrued audit fees	1,908,420	1,013,420
	19,347,368	9,486,170

11. DUE TO CONSOLIDATED FUND

This represents the amount of cash being held at financial institutions which is payable to the Accountant General:

	Twelve Months Ended March 2019 \$	Period Started February 22 to March 31 2018 \$
Scotia Bank chequing account (OCG)	108,887	303,918
Scotia Bank chequing account (CPC)	38,693,881	35,003,108
NCB chequing account (Integrity Commission Legacy)	1,728,709	1,801,095
	40,531,477	37,108,121

INTEGRITY COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

12. ADMINISTRATIVE AND GENERAL EXPENSES

	Twelve Months Ended March 2019 \$	Period Started February 22 to March 31 2018 \$
Salaries, wages and related costs	200,159,341	23,272,341
Employer's statutory contributions	8,323,529	658,448
Gratuity payments	36,334,623	2,946,549
Legal and professional fees	10,036,834	-
Computer maintenance and related expenses	2,459,856	-
Medical supplies	184,910	-
Staff welfare	481,047	-
Security	4,014,098	-
Janitorial	2,420,824	-
Dues and subscription	269,028	-
Insurance	516,146	-
Supplies and services	3,509,801	-
Motor vehicle expense	1,976,424	-
Travelling and subsistence	55,864,856	3,722,158
Rental of office space and parking lot	64,838,845	4,975,592
Utilities and communication	17,484,508	1,179,102
Repairs and maintenance	5,442,569	-
Commissioners' fees	5,057,800	-
Meals and entertainment	2,648,700	-
Postage and delivery	265,074	-
Printing and stationery	3,761,761	-
Audit fees	700,000	-
Advertising and promotion	515,451	-
Bank charges	157,328	-
Foreign exchange gain	(645,693)	-
General office expenses	15,073,931	3,833,586
Tuition repayment	406,289	-
	442,257,876	40,587,776

INTEGRITY COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019

13. SOURCE AND USES OF FUNDS

The comparative details between budgeted and actual income and expenditure for financial year 2018/2019 are as follows:

	Budget \$	Actual \$	Variance Favourable/ (Unfavourable) \$
Income	431,111,000	433,182,847	(2,071,847)
Appropriations-In-Aid	<u>16,900,000</u>	<u>16,900,000</u>	<u>-</u>
	<u>448,011,000</u>	<u>450,082,847</u>	<u>(2,071,847)</u>
Expenditure:			
Compensation of employees	214,785,000	201,314,485	13,470,515
Travelling and subsistence	54,706,000	55,338,855	(632,855)
Rental of property and machinery	73,247,000	73,198,473	48,527
Utilities and communication	19,284,000	16,936,020	2,347,980
Use of goods and services	55,221,000	47,827,631	7,393,369
Gratuity payments	37,167,000	36,334,622	832,378
Awards and social assistance	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
	<u>455,910,000</u>	<u>432,450,086</u>	<u>23,459,914</u>
Operating surplus		17,632,761	21,388,067
Capital:			
Fixed assets/ capital goods	<u>7,899,000</u>	<u>(8,856,370)</u>	<u>(957,370)</u>
TOTAL	<u>463,809,000</u>	<u>8,776,391</u>	<u>20,430,697</u>

14. STAFF COSTS

The number of employees at the end of the year/period was as follows:

	Twelve Months Ended March 2019	Period Started February 22 to March 31 2018
Permanent	13	13
Contract workers	68	65
	<u>81</u>	<u>78</u>

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14. STAFF COSTS (CONT'D)

	Twelve Months Ended March 2019	Period Started February 22 to March 31 2018
	\$	\$
The aggregate payroll costs for these persons were as follows:		
Salaries and other related costs	200,159,341	23,272,341
Gratuity payments	36,334,623	2,946,549
Statutory contributions	8,323,529	658,448
	<u>244,817,493</u>	<u>26,877,338</u>

15. RELATED PARTIES

The Commission's statement of financial performance includes the following transactions, undertaken with related parties in the ordinary course of business:

	Twelve Months Ended March 2019	Period Started February 22 to March 31 2018
	\$	\$
Transactions with Commissioners:		
Commissioners' fees	5,057,800	-
Renumeration for key management personnel:		
Director of Information and Complaints	3,483,889	657,782
Director of Corruption Prosecution	13,715,432	1,974,061
Director of Investigation	6,387,256	727,963
Director - Corporate Services	4,172,613	-
Chief Financial Investigator	5,005,188	542,217
Senior Financial Analyst	3,538,853	413,247
	<u>41,361,031</u>	<u>4,315,270</u>

16. FINANCIAL INSTRUMENTS**(a) Fair value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognized stock exchange) exists, is the best evidence of the fair value of a financial instrument. Market prices are not available for some of the financial assets and liabilities of the Commission. Fair values in the financial statements have therefore been presented using various estimation techniques based on market conditions existing at reporting date.

Generally, considerable judgement is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Commission would realise in a current market exchange.

The amounts included in the financial statements for cash and bank deposits, receivable and payables, reflect the approximate fair values because of short-term maturity of these instruments.

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16. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Commission has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Cash flow risk

The Commissioners, together with senior management has overall responsibility for the establishment and oversight of the Commission's risk management framework.

The Commission's risk management policies are established to identify and analyse the risks faced by the commission in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Commission's activities.

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission's principal financial assets are cash and bank deposits; and receivables and prepayments.

Cash and bank balances

The credit risk on cash and bank deposits is limited as they are held with financial institutions with high credit rating.

At reporting date, there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

	Twelve Months Ended March 2019 \$	Period Started February 22 to March 31 2018 \$
Cash and bank balances	54,450,524	47,190,337

(ii) Liquidity risk

Liquidity risk is the risk that the Commission will not meet its financial obligations as they fall due. The Commission's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Commission.

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16. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd):

(ii) Liquidity risk (cont'd)

Management aims at maintaining sufficient cash and the availability of funding through an amount of committed facilities. The management maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

The following are the contractual maturities of the non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Less than 1 year
March 31, 2019:			
Accounts payable	<u>19,347,368</u>	<u>19,347,368</u>	<u>19,347,368</u>
 March 31, 2018:			
Accounts payable	<u>9,486,170</u>	<u>9,486,170</u>	<u>9,486,170</u>

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Commission's income or the value of its holding of financial instruments. The objective is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Commission materially contracts financial liabilities at fixed interest rates for the duration of the term. When utilised, bank overdrafts are subject to fixed interest rates which may be varied by appropriate notice by the lender. At March 31, 2019 and March 31, 2018, there were no financial liabilities subject to variable interest rate risk.

Interest-bearing financial assets comprises of bank deposits, which have been contracted at fixed interest rates for the duration of their terms.

Fair value sensitivity analysis for fixed rate instruments

The Commission does not hold any fixed rate financial assets that are subject to material changes in fair value through profit or loss. Therefore, a change in interest rates at the reporting dates would not affect profit or equity.