List of Recommendations

Auditor General's Report 2017–2018

Compiled from the uploaded report • 132 recommendation entries

The recommendations below are grouped by report section and retain the report's wording as closely as possible. PDF page references are included for traceability.

Chapter 2 – Current Matters of Special Importance

1. Recommendation (Report para. 5, PDF p. 13)

The Office of the Auditor General recommends that the Accountant General should initiate the development of a comprehensive fixed asset register covering all Government Property, Plant and Equipment, including land, buildings, machinery, motor vehicles, information technology equipment, office equipment, and furnishings. The register should be properly supported by documentation and periodically updated to strengthen asset control and improve transparency.

2. Recommendation (Report para. 7, PDF p. 13)

The Office of the Auditor General recommends that the Accountant General's Department establish a reporting structure that clearly integrates both IPSAS cash basis requirements and FARA, 2011, specific disclosures. This may include adding a dedicated section or appendix within the financial statements to address all FARA mandated statements. Additionally, a cross-reference table should be developed to show how each component of the financial statements meets IPSAS and FARA, 2011, requirements. This approach will improve clarity, enhance transparency, and ensure full compliance with both IPSAS cash basis and FARA, 2011. Unadjusted Material Discrepancies in Account Balances.

3. Recommendation (Report para. 10, PDF p. 14)

The Office of the Auditor General recommends that the Accountant General should promptly investigate all material discrepancies identified during the preparation or audit of the financial statements. Necessary adjusting entries should be made using appropriate supporting documentation and with proper approvals. This will ensure that the financial statements are fairly presented in accordance with the applicable accounting standards and promote accountability in financial reporting.

4. Recommendation (Report para. 14, PDF p. 15)

The Office of the Auditor General of Belize recommends that the Accountant General should:

- Ensure that all write-offs are processed in accordance with the approval requirements prescribed by Sections 613 and 615 of the Financial Orders.
- Provide evidence that the necessary legislative approvals were obtained for the write-offs recorded during the fiscal year ended March 31st, 2018. Where such approvals were not obtained, the Accountant General along with the Financial Secretary should take appropriate steps to regularize the matter and seek the required approval from the Legislature.
- Ensure that procedures should be strengthened to ensure that all future write-offs are supported by the requisite approvals before adjustments are made to the Government's financial records.
- Ensure that procedures should be in place for the reconciliation of accounts before writing off approvals are requested and received.

5. Recommendation (Report para. 16, PDF p. 16)

The Office of the Auditor General recommends that the Accountant General and the Financial Secretary should implement a procedure to obtain independent third-party confirmations of all outstanding loan balances (public debt) at year-end from creditors before finalizing the Annual Financial Statements as part of the annual financial statement preparation process. This control measure will enhance the reliability and accuracy of reported balances, support audit validation and existence, and promote greater transparency and accountability in the financial statement preparation.

6. Recommendation (Report para. 22, PDF p. 18)

The Office of the Auditor General recommends that the Accountant General should continue improving the storage and management of source documents by:

- Ensuring that all files are properly sorted by fiscal year and account, with clearly labeled boxes for easy access.
- Maintaining an up-to-date standardized log or register in all storerooms to track the location and movement of documents.
- Assigning dedicated personnel to oversee filing and ensure consistent implementation of document-management procedures across all locations.

7. Recommendation (Report para. 24, PDF p. 19)

The Office of the Auditor General recommends that the Accountant General implement a strict reconciliation process requiring all key accounts to be reconciled regularly. Clear responsibilities, timelines and review mechanisms should be established to ensure discrepancies are promptly identified, investigated and resolved.

8. Recommendation (Report para. 26, PDF p. 19)

The Office of the Auditor General recommends that the Accountant General should develop and implement a clear and consistent cash and bank management manual for all ministries and departments, especially for the Treasury and Sub-Treasuries. The manual should guide Finance Officers, set limits on how much cash may be kept on site and require regular, accurate cash and bank reconciliations to ensure proper control and accountability. This manual should be aligned with the Financial Orders. 18

9. Recommendation (Report para. 45, PDF p. 25)

This Office recommends that an assessment be done to determine if there is any compatibility with the revenue data silos to ensure that the Accountant General's Department receives timely information on revenue collection for the accurate preparation of financial statements.

10. Recommendation (Report para. 49, PDF p. 26)

The Accountant General, in liaison with the Ministry of Finance, should organize training sessions for Finance Officers to ensure that they understand and can accurately prepare and complete the Board of Survey forms. We recommend that the Board of Survey forms and Board of Survey reports be accurately prepared and submitted to the Accountant General and the Auditor General for the Treasury, all Sub-Treasuries and other Government offices holding public funds, providing details of cash on hand and bank balances.

11. Recommendation (Report para. 51, PDF p. 27)

The Office seeks Parliament's support to allow publication of inspection reports (management reports) when they are submitted to Accounting Officers, and to pursue an amendment to Section 16(1) of FARA, 2020 or a National Assembly resolution allowing inspection reports and annual audit reports to be made public without waiting for legislative procedures.

Chapter 3 – Trial Balance

12. Recommendation (Report para. 7, PDF p. 30)

The Office of the Auditor General recommends that the Accountant General takes appropriate action to ensure that all figures reported in the Financial Statements, specifically the Statement of Financial Performance/Cash Receipts and Payments, are properly reconciled with the Trial Balance and are supported by appropriate accounting records in compliance with the applicable reporting standards.

13. Recommendation (Report para. 9, PDF p. 32)

The Office of the Auditor General recommends that the Accountant General should ensure that all calculations, totals, and disclosures are reviewed before finalization. Discrepancies were noted in the Statement of Deposits Balances and Descriptions.

14. Recommendation (Report para. 12, PDF p. 38)

The Office of the Auditor General recommends that the Accountant General should reconcile the Statement of Deposits to the Smart Stream Accounting System before finalizing the financial statements to ensure that all account descriptions, balances and BTL SOF numbers are accurate. Discrepancies were noted in the Statement of Public Debt Balances.

15. Recommendation (Report para. 15, PDF p. 42)

The Office of the Auditor General recommends that the Accountant General should reconcile the Statement of Public Debt to the Smart Stream Accounting System before finalizing the financial statements to ensure that the balances presented are accurate. Incorrect line-item number presented in the Financial Statements.

16. Recommendation (Report para. 18, PDF p. 46)

The Office of the Auditor General recommends that the Accountant General ensures that the line-item numbers, BTL SOF numbers, account descriptions and balances are verified against the Smart Stream Reporting System to ensure that all transactions are correctly reflected in the disclosure notes. Inadequate disclosure of opening fund balance.

Chapter 3 – Statement of Change in Net Assets

17. Recommendation (Report para. 22, PDF p. 48)

The Office of the Auditor General recommends that the Accountant General ensure that all significant adjustments affecting opening balances, including write-off and prior-period adjustments, are clearly disclosed and adequately explained in the notes to the financial statements. Overall recommendation:

18. Recommendation (Report para. 23, PDF p. 48)

The Office of the Auditor General recommends that the Accountant General should ensure that a comprehensive reconciliation is performed between the trial balance and the financial statements prior to finalizing the annual accounts to follow relevant accounting standards. Conclusion:

19. Recommendation (Report para. 9, PDF p. 52)

The Office of the Auditor General recommends that the Accountant General should ensure:

a. The alignment of financial statements, as the figures presented in the Statement of Financial Position, Statement of Changes in Net Assets, and the Statement of Financial Performance must reconcile with the Trial Balance and with each other.

b. Investigate and reconcile the variance found to resolve the sixty-one million one hundred forty-three thousand eight hundred seven dollars and fourteen cents ($61,143,807.14) discrepancy between the Statement of Financial Performance and the Statement of Changes in Net Assets-Consolidated Fund.

20. Recommendation (Report para. 16, PDF p. 54)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that all write-offs are processed in accordance with the approval requirements prescribed by Sections 613 and 615 of the Financial Orders.

b. Provide evidence that the necessary legislative approvals were obtained for the write-offs recorded during the fiscal year ended March 31st, 2018. Where such approvals were not obtained, the Accountant General, along with the Financial Secretary should take appropriate steps to regularize the matter and seek the required approval from the Legislature.

c. Ensure that procedures are strengthened to ensure that all future write-offs are supported by the requisite approvals before adjustments are made to the Government's financial records.

d. Ensure that procedures should be in place for the reconciliation of accounts before writing off approvals are requested and received.

21. Recommendation (Report para. 19, PDF p. 55)

The Office of the Auditor General recommends that the Accountant General should reconcile the account and enhance oversight and monitoring of account number 77002/690001 Change in Net Debt Account to ensure that it is being used appropriately and remains reconcilable.

22. Recommendation (Report para. 21, PDF p. 55)

The Office of the Auditor General recommends that the Accountant General provides source documents for the requested files for review.

Chapter 3 – Statement of Cash and Cash Equivalents

23. Recommendation (Report para. 5, PDF p. 58)

The Office of the Auditor General recommends that the Accountant General should ensure that:

a. All supporting working papers and calculations used to prepare the Statement of Cash Flows are maintained and made available to the Office of the Auditor General upon request. This includes a clear reconciliation of how all figures were derived and from where.

b. If financial statements are presented as IPSAS under the cash basis of accounting, they must align with this basis and only present the Statement of Cash Receipts and Payments (Statement of Financial Performance). The inclusion of a separate "Statement of Cash Flows" is not appropriate under a cash basis reporting framework and should be discontinued unless transitioning to an accrual basis IPSAS, in which case this would apply.

24. Recommendation (Report para. 7, PDF p. 63)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that a review of the cash accounts is carried out and that necessary correcting/adjusting entries are conducted, reviewed, and approved by someone independent of the cash and bank management of each Sub- Treasury.

b. Ensure that the Cash Board Survey forms are accurately prepared and reviewed. A complete written breakdown of the Cash Board Survey should clearly outline the following:

i. Cash on hand: To specify the cash amount physically on hand.

ii. Bank balances: To present a summary of balances across all bank accounts, including checking, savings, and any other relevant accounts held by Treasury and Sub-Treasuries.

c. Organize training sessions for Finance Officers to ensure that they understand and can accurately prepare and complete Board of Survey forms. The Board of Survey forms are source documents for the financial statements and should be considered a matter of high importance.

d. Ensure that the journal entry descriptions for each posting include a more detailed description.

e. Ensure to carry out a thorough reconciliation of the Cash on hand for the Belmopan account to identify discrepancies, which involves a detailed review of all transactions affecting the account, including but not limited to cash receipts, disbursements, and transfers.

f. Ensure that all transactions related to a specific month are posted within that same month. By adhering to this practice, discrepancies can be minimized, leading to more accurate financial statements and improved internal controls.

g. Ensure that Financial Order No. 233 is complied with as it states that "Reports on cash (as defined in Order 151) and bank balances shall be submitted to the Ministry of Finance, Auditor General and Accountant General." Treasury and Sub-Treasuries should present a monthly cash report, bank reconciliations, and bank statements to the Ministry of Finance, Auditor General, and Accountant General.

h. Develop and implement a clear and consistent cash and bank management manual for all ministries and departments, especially for the Treasury and Sub-Treasuries. The manual should guide Finance Officers, set limits on how much cash may be kept on site and require regular, accurate cash and bank reconciliations to ensure proper control and accountability.

25. Recommendation (Report para. 10, PDF p. 64)

The Office of the Auditor General recommends that the Accountant General should:

a. Record all deposits and withdrawals at the end of March 31st, 2018. Not recording these entries leads to significant material inaccuracies and misstatements in the financial statements.

b. Establish procedures to promptly investigate and resolve unrecorded transactions, ensuring timely adjustments are made when necessary to maintain the accuracy and integrity of the bank balances.

c. Ensure that all bank accounts have a corresponding bank statement for all accounts reported to facilitate accurate reconciliation. Failure to provide bank statements poses the risk of incomplete or inaccurate financial records, potentially leading to errors, misstatements, fraud and regulatory non compliance with IPSAS and the Financial Orders.

26. Recommendation (Report para. 16, PDF p. 66)

The Office of the Auditor General recommends that the Accountant General should ensure that account balances are reconciled monthly for accounts to be accurate and complete to be fairly presented in the financial statements.

27. Recommendation (Report para. 20, PDF p. 67)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that the preparation of the bank reconciliations has adequate segregation of duties by assigning bank reconciliation preparation to personnel independent (Finance Officer) of the transaction process, with a mandatory review by a separate officer such as the Assistant Accountant General. The Accountant General should ensure that evidence of preparation and review of bank reconciliations, such as signatures or electronic approvals, is consistently documented to enhance accountability and accuracy in financial reporting.

b. Ensure that all Sub-Treasuries, units, or departments throughout the Government sector who manage a bank account, follow Financial Order 305.

c. Ensure that adequate training is provided for all Finance Officers who manage a bank account and who prepare bank reconciliations. Training sessions for Finance Officers responsible for bank reconciliations are essential so officers gain the necessary skills and understanding to accurately prepare reconciliations, thereby minimizing errors and enhancing the financial control process.

d. Ensure that all bank accounts have a corresponding bank statement for all accounts reported to facilitate accurate reconciliation. Failure to provide bank statements poses the risk of incomplete or inaccurate financial records, potentially leading to errors, misstatements, fraud and regulatory non compliance with IPSAS and the Financial Orders.

e. Along with the Ministry of Finance, reconcile all bank accounts in the Smart Stream Reporting System, promptly investigate discrepancies, and timely adjust at the end of the financial year 2017/2018.

28. Recommendation (Report para. 24, PDF p. 70)

The Office of the Auditor General recommends that the Accountant General should establish a dedicated team to be exclusively in charge of all bank statements to be provided to Audit for financial statement purposes and for reconciliation purposes. Not adequately filing bank statements compromises the accuracy and integrity of the financial reporting at the end of the financial year 2017/2018.

29. Recommendation (Report para. 28, PDF p. 71)

The Office of the Auditor General recommends that the Accountant General should:

a. Obtain all project commercial bank accounts and ensure that these are reflected within Smart Stream.

b. Ensure that all bank accounts opened from all Government entities are reflected within the 2017/2018 Financial Statements to fairly present the Cash and Cash Equivalent balance.

30. Recommendation (Report para. 31, PDF p. 72)

The Office of the Auditor General recommends that the Accountant General should ensure that all unrecorded revenue and paying ins are recorded in the Smart Stream Reporting System and that all credit balances are promptly investigated, with necessary adjusting entries supported by corresponding source documents, to prevent understatement of bank account and revenue balances.

31. Recommendation (Report para. 38, PDF p. 75)

The Office of the Auditor General recommends that the Accountant General should:

a. See that all bank account balances are confirmed immediately after the year-end and that any discrepancy between the bank confirmation letter and the actual bank accounts are timely investigated. If bank accounts are not confirmed by the banks, the Accountant General should request from the bank a revised confirmation letter.

b. Ensure that accounts not in the Smart Stream Reporting System are investigated, and that appropriate documentation is obtained for it to be adjusted and recorded therein.

32. Recommendation (Report para. 42, PDF p. 77)

The Office of the Auditor General of Belize recommends that the Accountant General should:

a. Ensure that all Central Bank of Belize accounts are reconciled monthly.

b. Ensure that adjusting entries are made for all significant material balances observed at year-end March 31st, 2018, and that the necessary adjusting entries are adequately supported with necessary documentation.

33. Recommendation (Report para. 44, PDF p. 78)

The Office of the Auditor General recommends that the Accountant General should develop and implement a clear and consistent cash and bank management manual for all ministries and departments, especially for the Treasury and Sub-Treasuries. The manual should guide Finance Officers, set limits on how much cash may be kept on site and require regular, accurate cash and bank reconciliations to ensure proper control and accountability.

Chapter 3 – Statement of Receivables – Public Officers

34. Recommendation (Report para. 10, PDF p. 81)

The Office of the Auditor General recommends that the Accountant General should:

a. See that all advance approvals and related documentation for public officers' advances are obtained and provided for audit purposes.

b. Reconcile the Treasury Advance Register with the Smart Stream balance for advances to public officers.

35. Recommendation (Report para. 13, PDF p. 82)

The Office of the Auditor General recommends that the Accountant General should see that staff monitoring advances at the Treasury, calculate and record adequate stop dates for advances to avoid overpayments of advances.

36. Recommendation (Report para. 17, PDF p. 83)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that repayment information is readily available for audit purposes.

b. Maintain subsidiary ledgers to ensure a complete log of repayments of advances. This can be downloaded from the Smart Stream Reporting System.

37. Recommendation (Report para. 20, PDF p. 84)

The Office of the Auditor General recommends that the Accountant General should ensure that full details such as employee name and TIN numbers are included in the Account Balance Details.

38. Recommendation (Report para. 23, PDF p. 85)

The Office of the Auditor General recommends that the Accountant General reviews the variances identified between the Expenditure report and the BTL Account Balance Detail to ensure that both reports reflect the same amounts.

39. Recommendation (Report para. 27, PDF p. 86)

The Office of the Auditor General recommends that the Accountant General should adhere to the Finance and Audit Reform Act Section 6, Subsection 2 and seek legal guidance to obtain the approval from the National Assembly for advances exceeding the five hundred thousand ($500,000.00) value.

Chapter 3 – Statement of Receivables – Advances

40. Recommendation (Report para. 15, PDF p. 92)

The Office of the Auditor General recommends that the Accountant General should:

a. Establish and maintain a comprehensive gratuity advance register that records all relevant details of advances and repayments.

b. Provide a follow up on whether the gratuity advance not seen recovered during the scope of the audit was recovered and when.

c. Provide a follow-up on whether the apparent double payment identified in this report was recovered. Inadequate Reconciliation of Gratuity Advance was carried out.

41. Recommendation (Report para. 19, PDF p. 93)

The Office of the Auditor General recommends that the Accountant General should ensure that:

a. Regular reconciliations are performed between gratuity advance records, repayment records, and accounting balances.

b. Proper verification and sign offs of completion of reconciliations are conducted. All transactions and gratuities were recorded in the correct accounting period.

42. Recommendation (Report para. 23, PDF p. 94)

The Office of the Auditor General recommends that the Accountant General should ensure that a subsidiary ledger is maintained that records complete details of each advance, including employee name, date issued, amount advanced, voucher number, recovery details, and outstanding balance. This can assist with the reconciliation of advances.

43. Recommendation (Report para. 30, PDF p. 95)

The Office of the Auditor General recommends that the Accountant General should:

a. Follow up and provide approvals for the write-off of advances as per the requirements of Financial Order 613.

b. See that the basis for removing, transferring, adjusting, or writing off advance balances is clearly documented and retained for audit purposes.

c. See that all write-offs and adjustments are accurately recorded in the accounting records and appropriately disclosed in the financial statements. 94

Chapter 3 – Statement of Receivables – Governments and Others

44. Recommendation (Report para. 13, PDF p. 98)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that all write-offs are processed in accordance with the approval requirements prescribed by Sections 613 of the Financial Orders.

b. Provide evidence that the necessary legislative approvals were obtained for the write-offs recorded during the fiscal year ended March 31st, 2018. Where such approvals were not obtained, the Accountant General along with the Financial Secretary should take appropriate steps to regularize the matter and seek the required approval from the Legislature.

c. Ensure that procedures should be in place for the reconciliation of accounts before writing off approvals are requested and received.

d. Prohibit the use of the Consolidated Fund as a mechanism for recording unsupported adjustments or unresolved balances. Transfers to the Consolidated Funds should only be made where they represent legitimate public revenues or amounts legally due to the government. Any outstanding balances should instead be properly investigated, reconciled, and resolved before consideration for write off.

e. Strengthen supervisory oversight through periodic review and certification of write off transactions to ensure accountability, prevent unauthorized adjustments, and reduce the risk of financial misstatements and non compliance with statutory requirements.

45. Recommendation (Report para. 17, PDF p. 99)

The office of the Auditor General recommends that the Accountant General should:

a. Strengthen accounting records by maintaining complete and accurate records for advances, ensuring that all supporting documentation is retained to substantiate balances.

b. Improve the monitoring of advances by implementing controls consistent with Financial Order 536, including tracking outstanding advances, reviewing aged balances, and taking timely corrective action.

c. Enhance oversight and accountability by requiring reconciliations to be reviewed by supervisors and formally certified, ensuring their accuracy and full compliance with Accounting Officer responsibilities and established financial orders.

Chapter 3 – Statement of Other Current Assets

46. Recommendation (Report para. 8, PDF p. 110)

The Office of the Auditor General recommends that the Accountant General should:

a. Identify how dishonoured cheques not collected and reported herein will be addressed and recovered for fiscal year 2017/2018.

b. Ensure that Finance Officers and Accounting Officers promptly follow-up on all dishonoured cheques in accordance with Financial Order No. 208, including timely contact with the relevant taxpayers.

c. Create a monitoring system to track dishonoured cheques from the date they are recorded until they are fully recovered.

47. Recommendation (Report para. 13, PDF p. 112)

The Office of the Auditor General recommends that the Accountant General should:

a. Obtain the required approval from the House of Representatives for any write- off exceeding ten thousand dollars ($10,000.00), in accordance with Financial Order 609.

b. Immediately reconcile the suspense account to determine the nature, origin, and accuracy of the balance written off.

48. Recommendation (Report para. 16, PDF p. 113)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that all future write-offs are supported by proper documentation, including ageing analysis, recovery actions taken, reasons for write-off, and approval from the relevant authority.

b. Ensure that old, dishonoured cheque balances are reviewed periodically and

either recovered, adjusted, or submitted for proper approval before being written off.

49. Recommendation (Report para. 19, PDF p. 113)

The Office of the Auditor General recommends that the Accountant General should:

a. Perform a full reconciliation of the suspense account and advances for dishonoured cheques to determine the accuracy and validity of the balances reported.

b. Investigate all long-outstanding balances and prepare the necessary adjusting entries to correct the financial records.

c. Ensure that reconciled balances are supported by adequate documentation and are accurately reflected in the Government's financial statements.

50. Recommendation (Report para. 21, PDF p. 114)

The Office of the Auditor General recommends that the Accountant General should:

a. Review all dishonoured cheque balances brought forward from previous financial years to determine whether they remain recoverable.

b. Reclassify or adjust balances that do not meet the criteria for current assets under IPSAS.

c. Prepare an ageing analysis of dishonoured cheques and disclose long outstanding balances separately in the financial statements.

51. Recommendation (Report para. 24, PDF p. 115)

The Office of the Auditor General recommends that the Accountant General should:

a. Require all Sub-Treasuries to perform monthly reconciliations of below-the-line accounts for dishonoured cheques.

b. Issue written guidance to all Sub-Treasuries outlining the procedures for recording, monitoring, reconciling, and reporting dishonoured cheques.

c. Conduct periodic supervisory reviews to confirm that reconciliations are being performed and properly documented.

d. Provide training for Finance Officers and cashiers at all Sub-Treasuries on the proper treatment of dishonoured cheques in accordance with the Financial Orders. 114

52. Recommendation (Report para. 28, PDF p. 117)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that all Sub-Treasuries comply with Financial Order 209 by promptly issuing notices of defaulting individuals whose dishonoured cheques are not cleared on the same day.

b. Establish a standardized memorandum template for notifying revenue collectors and sub-accountants of defaulting individuals.

c. Maintain a central register of defaulting individuals to prevent further acceptance of cheques until outstanding amounts are cleared.

d. Ensure that notices are circulated confidentially and promptly to all revenue-collecting entities.

e. Monitor compliance across all Sub-Treasuries to ensure that the practice is consistently implemented. Not all Sub-Treasuries maintained dishonoured cheque source documents.

53. Recommendation (Report para. 32, PDF p. 119)

The Office of the Auditor General recommends that the Accountant General should:

a. Request all Sub-Treasuries to maintain complete source documents for dishonoured cheque transactions, including payment vouchers, memos, bank notifications, recovery records, and journal entries.

b. Establish a standardized filing system for dishonoured cheque records across all Sub-Treasuries.

c. Conduct periodic checks to ensure that source documents are complete, properly filed, and available for audit inspection.

d. Ensure that transactions recorded in Smart Stream are supported by adequate documentation in accordance with Financial Order 7(iv).

e. Provide training to Sub-Treasury staff on documentation requirements and the importance of maintaining complete audit trails.

54. Recommendation (Report para. 35, PDF p. 120)

The Office of the Auditor General recommends that the Accountant General should:

a. Strengthen record management procedures to ensure that all supporting documents are properly stored, indexed, and retrievable.

b. Ensure that financial records are retained in accordance with financial orders, regulations, and government record-retention policies.

55. Recommendation (Report para. 37, PDF p. 120)

The Office of the Auditor General recommends that the Accountant General should:

a. Review the classification of Account 802018–Belmopan to determine whether it should be reported as Deposits or Other Current Assets.

b. Prepare and post the appropriate adjusting entry to support any reclassification between Deposits and Other Current Assets.

c. Include a disclosure note in the financial statements explaining the nature and reason for any reclassification.

d. Ensure that all reclassifications are supported by proper documentation, approval, and audit trail.

e. Strengthen year-end review procedures to ensure that account's classifications are accurate and consistent with prior-year reporting unless properly justified and disclosed.

Chapter 3 – Statement of Investment in Associates

56. Recommendation (Report para. 20, PDF p. 127)

The Office of the Auditor General recommends that the Accountant General should:

a. Request instructions from the Debt Management Unit and make the required adjustment to reflect the final payment made. Additionally, to determine whether the responsibility for completing the posting rested with the Accountant General's Department or the Ministry of Finance to ensure the accuracy of the 2017/2018 financial statements.

b. Obtain independent third-party confirmations and supporting documentation to verify that all reported investments in Associates were accurate, valid, and adequately supported.

57. Recommendation (Report para. 29, PDF p. 134)

The Office of the Auditor General recommends that the Accountant General:

a. Performs timely and accurate reconciliations of accounts 76001/905022 and 76001/905023 to ensure completeness and accuracy.

b. Obtain independent third-party confirmation from Belize Telemedia Limited at year-end to validate the existence and accuracy of the reported balance.

c. Maintain adequate supporting documentation to strengthen internal controls and compliance with accounting standards.

d. Adjust account 76001/905022 and 76001/905023 to ensure accurate and complete reporting of the Investment in Associate for the upcoming 2018/2019 audit.

Chapter 3 – Statement of Investment

58. Recommendation (Report para. 8, PDF p. 136)

The Office of the Auditor General recommends that the Accountant General should remove any account not classified as an investment from the Statement of Investments to show an accurate figure for investments.

59. Recommendation (Report para. 12, PDF p. 141)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that all interest earned is timely recorded in the Smart Stream Reporting System for all fixed deposits.

b. Ensure that adjusting entries are done to properly reflect the accurate balances.

c. Ensure that the Smart Stream Accounting system corresponds with the bank confirmation letter obtained from each Financial Institution where a Certificate of Deposit is held.

d. Inform the Financial Secretary of the missing information at the local banks that imply no certificate of deposits found for government in their records. Certificate of Deposits cannot be closed without a request from the government therefore every effort should be made to work with the local banks in obtaining these records and locating these funds. These are funds due to the Government.

60. Recommendation (Report para. 14, PDF p. 143)

The Office of the Auditor General recommends that the Accountant General should review journal entry posted in the amount of ninety-six thousand seven hundred fifty-three dollars and fifty-five cents ($96,753.55) and make the necessary adjustment.

61. Recommendation (Report para. 16, PDF p. 144)

The Office of the Auditor General recommends that the Accountant General should provide documentation to confirm the adjustments that were posted.

Chapter 3 – Statement of Deposits

62. Recommendation (Report para. 12, PDF p. 147)

The Office of the Auditor General recommends that the Accountant General ensures that:

a. The Finance Officers responsible for the maintenance of Deposit Accounts at respective entities conduct and keep record of reconciliation of subsidiary listing with control accounts where relevant.

b. That at the end of each fiscal year the Finance Officer at the respective entity submits to the Accountant General subsidiary listing of creditors for Deposit Accounts he/she is responsible to upkeep (Control Account).

63. Recommendation (Report para. 17, PDF p. 148)

The Office of the Auditor General recommends that the Accountant General ensures that:

a. The accounts listed under the Statement of Deposits are reviewed and it includes only deposit accounts.

b. The non-deposit accounts appearing in the Statement of Deposits be listed under the appropriate statement which would be Statement of Accounts Payable/Payroll Clearing.

c. That accounts with debit balances are reviewed and necessary adjustmentsmade to correct these accounts.

64. Recommendation (Report para. 22, PDF p. 149)

The Office of the Auditor General recommends that the Accountant General ensures that:

a. The Finance Officer with responsibility for the maintenance of Deposit Accounts at Head Office review transactions posted in account 604125 Uncleared Imprest and take necessary action to rectify these accounts.

b. The reconciliation of deposit accounts is carried out especially at financial year end.

c. The reconciliation of Account 604125 "Uncleared Imprest" is carried out since it should have a zero balance. Conduct further review, if there are outstanding balances after reconciliation with voucher payments to seek recovery from Imprest holder.

65. Recommendation (Report para. 26, PDF p. 151)

The Office of the Auditor General recommends that the Accountant General ensures that:

a. A subsidiary listing or schedule is maintained in a manner that will allow any viewer to identify accounts that meet the criteria for this to be considered as revenue.

b. The balance of seven thousand eight hundred and twenty-five dollars ($7,825.00) be transferred to revenue since its unclaimed for over five (5) years. All necessary approvals should be obtained prior to doing so.

c. Periodic reviews of transactions posted to accounts are conducted to avoid misclassification.

66. Recommendation (Report para. 39, PDF p. 157)

The Office of the Auditor General recommends that the Accountant General ensures that:

a. Accounts BTL Sof 604061-Guard Fees & Other Charges Custom Department and BTL Sof 604063-Temporary Importation Customs Department be reviewed for transactions posted erroneously to these accounts.

b. Adjusting entries are summarized and post necessary adjusting journal.

c. Account BTL Sof 604063-Temporary Importation Customs Department is assessed to determine the appropriate classification of transactions posted to this account.

d. Account BTL Sof 604217-Civil Actions and Land Titles Registry be reviewed for expenses charged to this account.

e. Adjusting entries are summarized and posted to relevant Expenditure account.

f. The Finance Officer at the Judiciary with custody of Account BTL Sof 604217 stops charging recurrent expenses to this deposit account.

g. Recurrent expenses incurred from the deposit accounts be addressed.

67. Recommendation (Report para. 41, PDF p. 158)

The Office of the Auditor General recommends that the Accountant General should ensure:

a. That all write-offs are supported by the required legislative approvals where applicable.

b. Proper procedures to reconcile accounts prior to request for approval to write-off.

c. That the monitoring and supervision of Deposit accounts are in place by respective custodian so that periodic reconciliation of accounts is conducted and submitted to Head Office of the Sub Treasury. Advances From Central Bank was listed as an item under Statement of Deposits.

68. Recommendation (Report para. 43, PDF p. 159)

The Office of the Auditor General recommends that the Accountant General ensures that:

a. Account 504295 BTL Sof Advances from Central Bank be reviewed to determine the nature and use of this account to classify this more appropriately (as an Asset or a Liability). Thereafter develop a policy to govern the operation of this account.

b. The account is reviewed and reconciled to determine necessary adjustment.

Chapter 3 – Statement of Other Current Liabilities

69. Recommendation (Report para. 8, PDF p. 163)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that account 504295 in SmartStream Accounting Services is reviewed and correctly reclassified under the appropriate liability line item to align with its proper nature and presentation in the financial statements.

b. Establish and document clear accounting guidance for the classification and reporting of the Advances from Central Bank account to ensure consistent treatment and prevent reliance on differing interpretations of consultants.

c. Conduct a review of similar below-the-line accounts within SmartStream Accounting Services to identify and correct any other misclassifications and strengthen the accuracy of financial statement presentation. The Advances from Central Bank Account was erroneously referenced in the disclosure notes.

70. Recommendation (Report para. 12, PDF p. 164)

The Office of the Auditor General recommends that the Accountant General should:

a. Review and correct Disclosure Note 8.09 to ensure that the account number 504295 for Advances from Central Bank is accurately reflected and agrees with the SmartStream Report Manager account balance.

b. Strengthen the financial statement review process to confirm that account names, numbers, and related balances disclosed in the financial statements are accurate, complete, and consistent with source records in SmartStream Report Manager.

71. Recommendation (Report para. 17, PDF p. 166)

The Office of the Auditor General recommends that the Accountant General should:

a. Review and promptly correct all unrecorded and unreconciled entries in the Advances from Central Bank account, including the long-outstanding balance on account 504295, to ensure that the year-end balance is accurate and supported.

b. Require officers to record complete and clear transaction descriptions, together with adequate supporting documentation, to facilitate proper posting, timely reconciliation, and clear identification of the nature and source of each transaction.

c. Provide formal training and ongoing supervision to officers responsible for posting transactions to strengthen their understanding of accounting procedures and the recording of transactions.

72. Recommendation (Report para. 21, PDF p. 167)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that all transactions are recorded in a timely manner and entries are made at year-end to ensure that the account is zeroed out at the end of the financial year.

b. Assign reconciliation of this account at the Debt Management Section in charge of this account balance.

c. Establish a routine reconciliation process for the Advances from Central Bank to ensure accuracy and completeness.

73. Recommendation (Report para. 24, PDF p. 168)

The Office of the Auditor General recommends that the Accountant General should:

a. Establish proper and reliable documentation procedures by implementing strict policies for the maintenance of source documents.

b. Conduct periodic monitoring of record-keeping controls, including supervisory checks, to confirm that source documents for all transactions are maintained and can be produced promptly when requested.

Chapter 3 – Statement of Accounts Payable

74. Recommendation (Report para. 7, PDF p. 170)

The Office of the Auditor General recommends that the Accountant General should ensure that the Accounts Payable process is documented and that an Accounts Payable manual is implemented to give guidance and direction to the Finance Officers.

75. Recommendation (Report para. 10, PDF p. 171)

The Office of the Auditor General recommends that the Accountant General should ensure that source documents are always available for audit purposes. Unable to verify subsequent payments due to lack of information.

76. Recommendation (Report para. 13, PDF p. 171)

The Office of the Auditor General recommends that the Accountant General should implement a strong record management system. This system should ensure that all source documents related to Accounts Payable transactions are properly stored and easily accessible for audit purposes.

77. Recommendation (Report para. 16, PDF p. 172)

The Office of the Auditor General recommends that the Accountant General should ensure that Line item 76003 BTL SOF 75999 Unreconciled Cash-Payables is correctly classified as a liability in the Smart Stream Accounting System.

78. Recommendation (Report para. 19, PDF p. 172)

The Office of the Auditor General recommends that the Accountant General should investigate and perform adjusting entries when the Accounts Payable balance is overstated.

79. Recommendation (Report para. 22, PDF p. 173)

The Office of the Auditor General recommends that the Accountant General should ensure that all relevant source documents are readily available for audit purposes. This will help verify the accuracy of account postings and maintain the integrity of the financial records.

80. Recommendation (Report para. 25, PDF p. 174)

The Office of the Auditor General recommends that the Accountant General should regularly prepare and maintain an Accounts Payable ageing summary. This will help the Department to monitor old outstanding payables.

81. Recommendation (Report para. 28, PDF p. 174)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that Accounts Payable reconciliations are performed, reviewed and monitored.

b. Maintain a monthly Accounts Payable subsidiary ledger to maintain accurate and up-to-date financial records.

c. Obtain the assistance of Line Ministries and Departments to produce monthly Accounts Payable subsidiary ledgers that correspond with the Department's records.

82. Recommendation (Report para. 31, PDF p. 175)

The Office of the Auditor General recommends that the Accountant General should:

a. Implement an automated tool to streamline the clearance process.

b. Establish a process for clearing transactions in a timely manner.

c. Ensure the creation and implementation of an Accounts Payable manual.

Chapter 3 – Statement of Public Debt

83. Recommendation (Report para. 10, PDF p. 178)

The Office of the Auditor General recommends that the Accountant General and the Financial Secretary should implement a procedure to obtain independent third- party confirmations of all outstanding loan balances (public debt) at year-end from creditors before finalizing the Annual Financial Statements as part of the annual financial statement preparation process. This control measure will enhance the reliability and accuracy of reported balances, support audit validation and existence, and promote greater transparency and accountability in the financial statement preparation.

84. Recommendation (Report para. 16, PDF p. 182)

The Office of the Auditor General recommends that the Accountant General and the Financial Secretary should regularly reconcile the Smart Stream BTL-Liability Statement of Account Report in the Smart Stream Accounting System with the Annual Financial Statements and promptly investigate and correct any differences to ensure accurate and consistent reporting of public debt. Debt Servicing (Payment)

85. Recommendation (Report para. 24, PDF p. 185)

The Office of the Auditor General recommends that the Accountant General and the Financial Secretary should:

a. Establish a formal process for sharing debt information to ensure that all reported balances are accurate, complete, and supported by reliable evidence.

b. Maintain comprehensive supporting documentation, including loan agreements, creditor correspondence, amortization schedules, disbursement records, and confirmation letters, for every public debt obligation.

c. Document the reason for the inaccurate balances and perform alternative procedures, such as reviewing subsequent repayments, creditor statements, and legally binding loan agreements, to support the reported balances.

d. Perform mandatory reconciliation between the Smart Stream Reporting System and the Annual Financial Statements before finalization and submission. All differences identified should be fully investigated, properly documented, approved by duly authorized officers, and corrected prior to the issuance of the financial statements.

e. Establish a centralized reporting system to securely maintain all documents related to public debt transactions and ensure that records are readily available for financial reporting and audit purposes.

f. Ensure compliance with the Financial Orders by implementing effective monitoring and internal control procedures over debt servicing activities.

g. Clearly define the roles and responsibilities of the Accountant General's Department and the Ministry of Finance for recording, reviewing, and reporting loan disbursements.

h. Conduct a comprehensive review of the recurring differences relating to the Government of Belize loans, Belize Petroleum & Energy Ltd (BPEL), Domestic Loan, and Caribbean Development Bank (CDB) Loans to determine the root causes and implement corrective measures to prevent future occurrences.

86. Recommendation (Report para. 26, PDF p. 186)

The Office of the Auditor General recommends that the Accountant General and the Financial Secretary maintain and regularly update a complete amortization schedule for each Government loan, showing the repayment plan and what has been paid. This will help the Department to clearly track how much is still owed, check that payments are correct and ensure that debt records are accurate and easy to verify.

87. Recommendation (Report para. 47, PDF p. 191)

The Office of the Auditor General recommends that the Accountant General and the Financial Secretary should:

a. Establish clear steps to ensure that all payments related to public debt are recorded in the Smart Stream Reporting System as soon as the Central Bank of Belize notifies of their completion. Management should regularly check that all transactions are logged in at the correct time before preparing financial reports.

b. Conduct monthly checks to compare records from loan payment schedules, instructions for payments, confirmations from the Central Bank, Smart Stream entries, and annual financial reports. Any differences found should be investigated, resolved, and quickly approved by management.

c. Create and enforce guidelines for keeping documents related to public debt transactions. This includes having complete records, like loan agreements, disbursement notices, payment instructions, bank confirmations, and other important papers. These documents should be organized and easily accessible for management reviews and audits.

d. Ensure to collect and keep bank statements or other independent confirmations for Special Accounts where loan payments are deposited. The Accountant General's Department should confirm that all loan funds are deposited into the authorized Government bank accounts before these transactions are recorded in Smart Stream.

88. Recommendation (Report para. 55, PDF p. 196)

The Office of the Auditor General recommends that the Accountant General and the Financial Secretary should:

a. Ensure that any new loans the government takes on are recorded in the Smart Stream Reporting System as soon as the government officially agrees to the loan terms. This process follows specific accounting guidelines that help present a clear picture of the government's financial situation in the Annual Financial Statements. Accurately recording these loans at the right time is essential for showing the true state of the government's finances.

b. Regularly check and compare the signed loan agreements, the records of money owed, the payment plans, and the Smart Stream Reporting System. This is important to ensure that all new loans are properly acknowledged, recorded accurately, and included at the right time.

Chapter 3 – Statement of Government Securities

89. Recommendation (Report para. 8, PDF p. 200)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that sufficient and adequate disclosure notes are presented within the Financial Statements for Government Securities (Treasury Bills, Treasury Notes, and Bank of New York-US Bond Issue 2038). The following should be included:

i. Maturity dates of each instrument.

ii. Interest rates and terms associated with the securities.

iii. The institutions or entities with whom the security is held.

90. Recommendation (Report para. 11, PDF p. 201)

The Office of the Auditor General recommends that the Accountant General should perform monthly/quarterly/yearly reconciliations of these accounts to adequately present them within the Financial Statements to avoid unrecorded transactions.

91. Recommendation (Report para. 14, PDF p. 202)

The Office of the Auditor General recommends that the Accountant General should implement a procedure to request independent third-party confirmations of Government Securities, especially Bank of New York-US Bond Issue 2038, at year- end as part of the annual financial statement preparation process. This control measure will enhance the reliability and accuracy of reported balances, support audit validation and existence, and promote greater transparency and accountability in the financial statement preparation.

92. Recommendation (Report para. 18, PDF p. 202)

The Office of the Auditor General recommends that the Accountant General should implement strict procedures to ensure that all transactions and events are recorded timely, on the date that cash is received or paid, that is, when the transaction is reflected in the bank account.

93. Recommendation (Report para. 26, PDF p. 206)

The Office of the Auditor General recommends that the Accountant General ensures that differences between the individual expenditure summary reports and the account balance detail (posted journal) and difference between the Below-the- Line report and Individual Expenditure Report are reviewed to identify discrepancies promptly and ensure that all transactions are accurately captured in summary reports. In addition, notify the Central Information Technology Office (CITO) of any discrepancies encountered or unlinked reports for them to be addressed immediately.

94. Recommendation (Report para. 28, PDF p. 207)

The Office of the Auditor General recommends that the Accountant General and the Financial Secretary ensure that source documents are always available for audit purposes.

95. Recommendation (Report para. 32, PDF p. 208)

The Office of the Auditor General recommends that the Accountant General ensures that all required source documents are submitted in a timely manner to support transactions and enable adequate audit verification.

96. Recommendation (Report para. 34, PDF p. 208)

The Accountant General and the Financial Secretary should establish a practice of requesting confirmation letters and requesting third-party statements directly from third-party entities after each financial year. This will facilitate verification of the balances reported in the financial statements and ensure accuracy and reliability. By obtaining confirmations and third-party statements directly from the banks, third-party entities and other financial institutions, discrepancies can be promptly identified and addressed. This practice will serve as a valuable control mechanism to mitigate the risk of errors or misstatements in the financial statements.

Chapter 3 – Statement of Deposits – Savings Bank

97. Recommendation (Report para. 9, PDF p. 211)

The Office of the Auditor General recommends that the Accountant General ensures that:

a. The Supervisor for Savings Bank at the Head Office conducts global reconciliation of Control Account in SmartStream with Subsidiary listing held in GICS.

b. Since reconciliation will begin March 31st, 2020, to advise how unreconciled figures will be treated.

c. The Finance Officer for the respective Sub-Treasuries where discrepancies were identified, revisits the supporting documents and make necessary corrections where applicable.

98. Recommendation (Report para. 13, PDF p. 213)

The Office of the Auditor General recommends that the Accountant General ensures that interest due to Saving Bank holders is recorded at fiscal year-end in SmartStream and presented in the financial statements.

99. Recommendation (Report para. 16, PDF p. 214)

The Office of the Auditor General recommends that the Accountant General ensures that a policy to define the structure of the Statement of Returns for Savings Bank submitted at the end of each month be standardized by Sub Treasuries. This will enhance transparency and efficiency when conducting reconciliation of these reports.

100. Recommendation (Report para. 21, PDF p. 215)

The Office of the Auditor General recommends that the Accountant General ensure that:

a. The appropriate account is selected when posting gains on Crown Agent Investment.

b. Assessment is conducted of returns earned from investments by Crown Agent versus interest payable to Savings Bank Customers. The balance identified is then to be treated as per Savings Bank Act Chapter 266, Revised Edition 2000, Section 13.

101. Recommendation (Report para. 28, PDF p. 217)

The Office of the Auditor General recommends that the Accountant General ensures that:

a. The Supervisor for Savings Bank at Headquarters ensures that balances reported in the monthly returns filed are consistent.

b. The Punta Gorda Sub Treasury conducts review of their subsidiary listing and make necessary corrections to agree these with the control account.

c. The Dangriga Sub Treasury provide information on Savings Bank as requested for the next auditing period.

102. Recommendation (Report para. 31, PDF p. 218)

The Office of the Auditor General recommends that the Accountant General ensures that the Supervisor for Savings Bank conducts periodic review of the operations of Savings bank by Sub Treasuries.

103. Recommendation (Report para. 37, PDF p. 220)

The Office of the Auditor General recommends that the Accountant General ensures that:

a. Additional disclosures for Savings Bank presented in the Financial Statement be checked for consistency with the balance posted in SmartStream.

b. Explanation is given for the variance found between the “Statement of Savings Bank” presented on Page 80 of the Financial Statement Report and the balance posted to the relevant SmartStream account.

Chapter 3 – Statement of Revenue

104. Recommendation (Report para. 30, PDF p. 233)

The Office of the Auditor General recommends that the Accountant General should:

a. Reconcile revenue reports from each revenue earning department with the Smart Stream Reporting System to ensure accuracy of figures prior to the preparation of the financial statements.

b. See that each revenue collecting entity prepares and submits monthly revenue reports to the Ministry of Finance and to the Accountant General.

c. See that all revenue collecting ministries/departments, including district offices, should be equipped with standardized systems for recording revenue transactions.

d. Record revenue under appropriate cost centres aligned with the Ministry and Department responsible and location.

e. Establish clear procedures to ensure that all transactions are recorded on the exact date of receipt or disbursement, in accordance with IPSAS Cash Basis.

f. See that all revenue transactions must be supported by adequate documentation, including receipts, supporting schedules, and approval records.

g. Maintain a reversal log, and periodic reviews should be conducted to detect unusual or excessive reversals.

h. Assign appropriate user access rights to Finance Officers and relevant personnel to enable extraction of required reports from systems such as GICS.

i. Implement backup procedures to ensure that financial information can always be retrieved when required for monitoring or audit purposes.

105. Recommendation (Report para. 31, PDF p. 233)

The Office of the Auditor General recommends that the Financial Secretary should:

a. See that revenue-generating Ministries and Departments be actively involved in preparing revenue projections, as they have direct knowledge of operational conditions and revenue drivers.

b. Require formal input from all revenue collecting entities during the preparation of the annual budget both for revenue and expenditure.

c. Reinstate the requirement for all revenue-collecting entities to prepare and submit monthly revenue reports as part of the Budget Call process or establish an alternative formal reporting mechanism that ensures regular, standardized, and timely reporting of revenue collections to the Ministry of Finance for monitoring and budgetary purposes.

106. Recommendation (Report para. 42, PDF p. 244)

The Office of the Auditor General recommends that the Accountant General should:

a. Monitor along with the Ministry of Finance the performance of the revenue budget.

b. Liaise with line ministries to include the departments when preparing the Budget Estimates for revenue.

Chapter 3 – Statement of Expenditure

107. Recommendation (Report para. 10, PDF p. 249)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that all supplementary appropriations reflected in the financial statements are approved by the National Assembly. In the event it is not approved, provide justification within the disclosure notes.
b. Maintain complete records of all supplementary approvals, including Cabinet decisions, National Assembly approvals, gazetted Acts, warrants, and related correspondence.
c. Provide an explanation for the one hundred thirty-one million two hundred fifty-four thousand sixty-one dollars and twenty-nine cents ($131,254,061.29) recorded as supplementary appropriation in the 2017/2018 financial statements where no supporting legislative approval was provided.
d. Report all unauthorized excess expenditure to the Ministry of Finance and the Joint Public Accounts Committee for review and appropriate action.

108. Recommendation (Report para. 15, PDF p. 253)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that the ministry structure used in the financial statements is consistent with the structure approved in the General Revenue Appropriation Act and the published Budget Estimates.

b. Where ministries are merged, renamed, or restructured during the fiscal year, disclose the changes clearly in the notes to the financial statements.

c. Prepare and retain documentation showing how approved budget amounts were transferred, reclassified, or aligned to the ministry structure used in the financial statements.

d. Ensure that the total approved expenditure per the Appropriation Act agrees with the total approved budget disclosed in the financial statements.

e. Investigate and explain the overall difference of ninety-six million three hundred sixty dollars eight hundred and sixty-one dollars ($96,360,861.00) between the approved Appropriation Act and the financial statements.

f. Implement a supervisory review of all budget-to-actual schedules before the financial statements are submitted for audit.

109. Recommendation (Report para. 18, PDF p. 254)

The Office of the Auditor General recommends that the Accountant General should:

a. Immediately inform all Accounting Officers of recurrent excess expenditure identified in their respective cost centers.

b. Require Accounting Officers to provide written explanations for all excess expenditure, including whether the excess was caused by real overspending or misallocation.

c. Ensure that all excess expenditure is reported to the Ministry of Finance in accordance with COPE Chapter V, Section 80.

d. Require ministries to provide evidence of approved virements, reallocations,or supplementary estimates where expenditure exceeded the approved budget.

e. Strengthen vote control procedures to ensure that Accounting Officers monitor expenditure against approved allocations throughout the fiscal year.

f. Submit excess expenditure reports to the Joint Public Accounts Committee for examination, in accordance with COPE Section 10.

110. Recommendation (Report para. 20, PDF p. 257)

The Office of the Auditor General recommends that the Accountant General should:

a. Require ministries with Capital II excess expenditure to explain why expenditure was incurred above the approved amount.

b. Obtain evidence of approved virements, reallocations, or supplementary estimates for all Capital II activities that exceeded their approved budgets.

c. Ensure that project expenditure is not charged to activities with insufficient or zero budget unless prior approval has been obtained from the Ministry of Finance.

d. Report unauthorized Capital II excess expenditure to the Ministry of Finance for corrective action.

111. Recommendation (Report para. 24, PDF p. 259)

The Office of the Auditor General recommends that the Accountant General should:

a. Require ministries with Capital III excess expenditure to provide explanations and supporting approvals for each activity that exceeded its approved allocation.

b. Ensure that Capital III project expenditure is monitored at the cost center, activity, and project level.

c. Obtain evidence of approved supplementary estimates or reallocations for all Capital III excess expenditure.

d. Strengthen controls to prevent expenditure from being incurred on activities with insufficient approved budget.

e. Require periodic budget monitoring reports for Capital III projects, particularly for large infrastructure and externally funded projects.

f. Report unauthorized Capital III excess expenditure to the Ministry of Finance and the Joint Public Accounts Committee for review.

112. Recommendation (Report para. 29, PDF p. 260)

The Office of the Auditor General recommends that the Accountant General should:

a. Investigate the variance between the Funds Control module and the Account Balance report for line item 18058 - Public Debt Services.

b. Request CITO and the SmartStream system administrator to review the system configuration and determine why transactions recorded in the Account Balance report were not reflected correctly in Funds Control.

c. Establish a reconciliation process between SmartStream modules to ensure that expenditure balances are complete and accurate.

113. Recommendation (Report para. 32, PDF p. 261)

The Office of the Auditor General recommends that the Accountant General should remove the changes in movement from expenditure. 260

114. Recommendation (Report para. 34, PDF p. 262)

The Office of the Auditor General recommends that the Accountant General should:

a. Reconcile the financial statement balances to the SmartStream Reporting System balances for all affected line items.

b. Investigate and explain the total variance of one hundred fifty thousand four hundred ninety-eight dollars and ninety-three cents ($150,498.93) between the financial statements and SmartStream.

c. Correct any errors in the financial statements or SmartStream records, where applicable.

d. Maintain reconciliation documents showing the source of all differences between the financial statements and the accounting system.

e. Ensure that all financial statement balances are agreed to SmartStream before submission for audit.

f. Implement an independent review of the reconciliation process before final approval of the financial statements.

Chapter 3 – Statement of Arrears

115. Recommendation (Report para. 11, PDF p. 268)

The Office of the Auditor General recommends that the Accountant General should:

a. Review the list of revenue collecting ministries/departments and follow up with them regarding arrears of revenue.

b. Take the opportunity to identify causes for non-submission of arrears of revenue to include in the financial statements. This is to provide assistance to these ministries/departments.

c. Re-issue treasury circular no. 15 of 2026 referenced GE/1/10/2026 (15) Vol. XII dated May 7th, 2026, to revenue collecting ministries/departments as a reminder of pending submissions.

d. Monitor compliance by ensuring that accounting officers of revenue collecting entities submit quarterly arrears of revenue reports. Instances of non- compliance should be disclosed either within the arrears of revenue financial statement or as part of the response to the annual audit report.

e. Ensure that revenue collecting accounting officers submit quarterly arrears of revenue reports.

f. Conduct a review of each revenue collector to identify if arrears of revenue are being maintained at each entity. If found not to be doing so, immediately institute a mechanism to ensure that this information is readily available for the preparation of the financial statements. Special attention should be given to the entities quoted in financial order 90.

g. Implement procedures to verify the accuracy and completeness of arrears of revenue information submitted by revenue collecting entities.

116. Recommendation (Report para. 16, PDF p. 270)

The Office of the Auditor General recommends that the Accountant General should see that:

a. Accounting Officers ensure that all arrears outstanding for more than six months are subject to continuous follow-up and, where appropriate, are referred for legal action in accordance with the Financial Orders.

b. revenue-collecting entities through established procedures regularly review outstanding arrears, monitor the status of recovery actions, and promptly escalate delinquent accounts for legal proceedings where required.

117. Recommendation (Report para. 19, PDF p. 271)

The Office of the Auditor General recommends that the Accountant General should strengthen its review and reconciliation procedures to ensure that arrears of revenue returns submitted by ministries and departments are verified, consolidated, and accurately reflected in the Annual Financial Statements.

118. Recommendation (Report para. 23, PDF p. 271)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that all Accounting Officers maintain complete and up-to-date revenue registers in accordance with Financial Order 86.

b. Require periodic certification from Accounting Officers confirming that all persons or entities liable to pay Government revenue have been recorded in the revenue registers and that the registers are complete and accurate.

c. Implement periodic reviews and reconciliations of revenue registers to verify that all amounts due to Government are recorded, supported, and reconciled with the balances reported in the Consolidated Annual Financial Statements.

d. Strengthen record management controls by requiring Ministries and Departments to maintain revenue registers and supporting documentation in an organized manner and make them readily available for review and audit.

119. Recommendation (Report para. 27, PDF p. 272)

The Office of the Auditor General recommends that the Accountant General should:

a. Require supporting documentation for all requests to write off irrecoverable arrears, including evidence of the approvals required under Financial Order 614, before the write-offs are recognized in the Government's financial records.

b. Implement review procedures to verify that all write-off requests submitted by revenue-collecting entities are complete, supported by the appropriate approvals, and comply with the Financial Orders before they are processed.

c. Maintain a centralized register of approved write-offs that records the amount written off, the approving authority, the date of approval, and references to the supporting documentation to facilitate monitoring and audit verification.

d. Perform periodic compliance reviews to ensure that all write-offs of Government revenue are supported by the required legislative or other prescribed approvals and that only duly authorized amounts are removed from the Arrears of Revenue records.

Chapter 3 – Statement of Losses

120. Recommendation (Report para. 11, PDF p. 275)

The Office of the Auditor General recommends that the Accountant General should:

a. See that losses reports are complete with all particulars to verify entries in the financial statements and schedule of losses. This would entail assigning staff to review losses forms received.

b. Liaise with the Ministry of Finance to create digital losses forms that flags any missing field when filling out the forms. This would prevent losses forms being submitted incomplete.

c. Provide periodic training to line ministries on the proper completion of losses form. This can contribute to reducing incomplete forms.

d. Enforce the policy where estimates for repairs or prices of items must be provided along with all documents, to ensure that figures are shown for the estimated loss of the item.

121. Recommendation (Report para. 18, PDF p. 279)

The Office of the Auditor General recommends that the Accountant General should:

a. Ensure that only active cases are reflected in the financial statements.

b. Conduct reconciliations between the current fiscal year records and at least the two (2) preceding fiscal years to confirm that closed cases are excluded from the current statement.

c. Develop and maintain a dedicated losses database to identify and flag cases that have been closed or do not pertain to the relevant fiscal year at the time of reporting.

122. Recommendation (Report para. 22, PDF p. 280)

The Office of the Auditor General recommends that the Accountant General should:

a. Liaise with the Commissioner of Police and the Chief Executive Officer of the Parent Ministry to strengthen internal controls within the Police Department, with particular emphasis on asset management and incident reporting.

b. Implement a quarterly review process for the Police Department, as a significant number of cases lack financial figures or adequate supporting documentation. This measure would support improved compliance, completeness, and accuracy in reporting losses.

c. Introduce accountability mechanisms for officers responsible for incomplete or missing documentation. This would help address recurring issues where financial statements exclude loss amounts or omit essential details such as the date and description of incidents.

123. Recommendation (Report para. 25, PDF p. 280)

The Office of the Auditor General recommends that the Accountant General should:

a. Seek legal advice or follow up on administrative action for outstanding cases with non-repayment.

b. Liaise with the Assets and Utilities Management Office to consider higher tier insurance coverage for high-risk assets, to avoid or reduce future unrecoverable funds.

c. Liaise with the Assets and Utilities Management Office to develop a recovery plan. These plans would include payment deadlines, length of payment plan, total amount and any other necessary details.

124. Recommendation (Report para. 27, PDF p. 281)

The Office of the Auditor General recommends that the Accountant General should:

a. Conduct a comprehensive review of all losses to ensure that those incurred during the fiscal year are fully captured and properly recorded.

b. Develop a centralized master sheet containing basic entries and grant the OAGB access to it. This would enable the office to monitor entries in real time as they are recorded, ensuring visibility of all reported losses and facilitating reconciliation with OAGB records. The sheet could be populated by each department, which would streamline the reporting process and improve consistency.

c. Engage with the Ministry of Finance to establish penalties or other corrective measures for departments or ministries that fail to report losses accurately and in a timely manner.

125. Recommendation (Report para. 29, PDF p. 282)

The Office of the Auditor General recommends that the Accountant General should:

a. See that each ministry strengthens its internal financial controls and reporting mechanisms to ensure accurate, complete, and timely capture of loss data. In particular:

i. Ministries should standardize how losses are recorded and reported to eliminate underreporting and ensure that all incidents are properly reflected in the financial statements.

b. See that the Ministry of Labour, Local Government, Rural Development, National Emergency Management & Immigration & Nationality, and the Ministry of National Security should undergo internal audits or internal reviews to identify root causes and implement corrective actions. Cases were seen in media reports however no losses report was seen submitted.

126. Recommendation (Report para. 31, PDF p. 282)

The Office of the Auditor General recommends that the Accountant General adopt a proactive approach by monitoring media reports and requesting supporting documentation for any losses identified. The Accountant General should also seek confirmation regarding the occurrence of incidents reported in the media.

Chapter 5 – Audit Observations in Ministries and Departments

127. Recommendation (Report para. 42, PDF p. 314)

Chief Executive Officer should:

a. Ensure that the BDF avoid entering into verbal agreements on behalf of the Government of Belize. Also discuss with those who may have already paid to have the “complete tour package” the matter of the “tour package” not being an offer given by the BDF. Furthermore, the BDF does not provide or outsource tour packages.

b. Establish proper agreement with the German Army that ensures that all political and sovereign matters have been addressed to avoid possible conflict with the United Kingdom (UK) (and Allies) and the Belize State of Forces Agreement.

c. Refund to the Government of Belize amounts utilized from the recurrent expenditure for the purported costing of this training.

d. Have the Commandant and the Lieutenant Colonel identify Officers utilized as supporting staff. Subsequently identify whether these Officers were already being paid 100% salaries by the Government of Belize during this period. If so, recover funds and repay the recurrent expenditure.

e. Follow up with the German Army to determine/confirm possible funds due to the BDF not yet received. That is, request from the German Army proof of payment and services received.

f. Seek the assistance of the FIU to obtain further details of possible payments due to the BDF from the business owned by the Lieutenant Colonel. Also request further investigation to be conducted by the Income and Sales Tax Departments as taxes were collected and not paid in.

g. Ensure that the BDF adheres to Financial Order #306 which states that no public money shall be paid into a private account.

h. Review the present allocation given to the BDF in an effort to establish whether amounts are being utilized for non-budgeted activities. If so, cease to do so. Where it appears that there is insufficient provision in any subhead to meet current or future needs, make the necessary application for additional provision to the Ministry of Finance as required by Financial Order #10 (c).

i. Where the Force finds it necessary to continue with/maintain the collections for military training, request is made that payments pass through the Ministry of Finance for subsequent use by the BDF.

j. Ensure that the Finance Officer (Pay Mistress) and the Force Accountant (FO4) carry out actions in accordance with Financial Order #10 (h) which states that the accounts are properly kept by making personal checks and arranging other checks, including surprise inspections, to guard against irregularity and fraud.

k. Ensure that agreements with regards to the use of military property and or Government property are approved by the right authorities such as the Ministry of Finance and the Ministry of Defence. In addition, any decision regarding foreign military presence is made at the Ministerial level in consultation with the Commandant BDF who should provide justification for foreign military presence.

128. Recommendation (Report para. 31, PDF p. 326)

The CEO of the Ministry of Defence should:

a. Immediately include items claimed to be purchased with the credit card on Inventory in accordance with Stores Order #26.

b. Adhere to Stores Order #2 with regards to the safeguarding of assets.

c. Adhere to Stores Order #37 with regards to damaged/unserviceable stores.

d. Adhere to Financial Order #655 regarding destruction of accounting records.

e. Conduct a countrywide physical check of items found on hand that were not place on inventory in an effort to update the inventory list of items. This should include items claimed to be purchased from the credit card and donations (if any).

f. Prepare a written Credit Card Policy for the BDF.

g. Ensure that credit card transactions are supported by proper documentation.

h. Retain source documents (receipts/invoices) in an organized manner for audit purposes.

i. Ensure that the credit card account is reconciled on a monthly basis.

j. Unscrew televisions in an effort to retrieve their corresponding serial and model number to further include them on inventory.

k. Have the Commandant account for the funds expended for which no supporting documents were available in an effort to determine whether or not the items were purchased for the benefit of the BDF.

129. Recommendation (Report para. 36, PDF p. 364)

The Chief Executive Officer of the Ministry of Defence should:

a) Initiate action in accordance with Financial Orders #601 to #606 where applicable given the irregular nature of selected transactions, misrepresented payment descriptions and the lack of supporting documents.

b) Conduct further verification with the Officer (s) who were not available for interview due to being on study leave and outside of the country.

c) Consider the immediate inclusion of the Pay Mistress/Finance Officer in the management of this Bank Account.

d) Organize relevant training in relation to the Government of Belize's financial and accountability process, for key technical officials within the BDF, which may enhance their awareness and compliance to the financial regulations, systems and practices.

e) Consider whether the bank account is serving the required purpose and, where not, consider the use of the BDF's present expenditure allocations to meet approved objectives and priorities of the BDF.

f) Create Terms of Reference for this bank account.

g) Ensure that equipment purchased is placed in inventory and follows requirements for loss.

h) Conduct further investigation into whose credit card was used for the purchase of BDF items.

i) Adequate measures are taken to safeguard all accounting records in accordance with Stores Order #2.

j) Monthly reconciliation of the bank account is carried out in accordance with Financial Orders #304.

k) Ensure that any monies due to the bank account are refunded at the earliest.

l) Ensure that a proper system of internal checks is conducted on the financial operations of the BDF, as required by FO #558, to enhance compliance with relevant financial regulations and the policies governing use of bank accounts.

m) Recover possible double payment mentioned in this report.

n) Ensure that purchases of items from outside Belize are authorized by the relevant authorities in accordance with the Government's foreign purchase policies.

o) Strengthen internal controls in place to reduce the degree of arbitrary and discretionary spending at the BDF in regard to this bank account.

p) Take action against the officers if found culpable as directed by FO #373 which states "in the event of any payment being made in consequence of an incorrect certificate, the officer authorizing the payment shall be held responsible for the same, and the amount may be surcharged against him."

q) Ensure that officers adhere to Financial Orders #370 and #371 when approving payments.

r) Ensure that officers adhere to Financial Order #364 which stipulates that cheques are to be supported by relevant payment vouchers. In addition, ensure that full particulars are recorded in payment vouchers and cheque stubs.

s) Liaise with the Ministry of Health who has a Financial Policy for NHI bank accounts that may prove helpful in strengthening the internal controls for the management of this bank account.

t) Ensure that officers adhere to Circular Memorandums applicable to all government entities, especially those quoted in this report as being contravened.

u) Adhere to Financial Order #10 regarding the duties of Finance Officers.

v) Ensure that officers adhere to Financial Order #306 regarding the paying in of private money into an official bank account.

w) Ensure that officers adhere to Financial Order #315 with regards to the ordering of cheque books through the Accountant General and not directly from the banks.

x) Ensure that officers adhere to Financial Order #316 with regard to examining cheque books and stocks to satisfy that the numbering of each book is correct and complete.

y) Ensure that officers adhere to Financial Order #317 with regards to taking on charge cheque books in a revenue form register.

z) Ensure that officers adhere to Financial Order #323 with regards to signing blank or incomplete cheques.

aa) Ensure that officers adhere to Financial Order #553 with regards to segregation of duties regarding the payee also being the signatory of cheques.

bb) Institute measures to properly record the receipt of donations (kind and financial) in an effort to account for all amounts received. Also, address the issue of soliciting funds as a self-initiative of Officers of the Force since this may provide a negative image to the Government of Belize.

cc) Maintain a master vendor list that consists of those businesses/individuals with whom to conduct official business with. This is in an effort to maintain details and information about the businesses/individuals that the BDF can conduct business with and having to avoid the selection of one-time vendors.

dd) Create a chart of accounts suitable for the operation of this bank account. This will create a limit on what type of payments can be made from this bank account.

130. Recommendation (Report para. 64, PDF p. 380)

The Office of the Auditor General recommends that the CEO of the Ministry of Defence:

a. Provide authority for the use of petty cash at the BDF Force Headquarters.

b. Initiate action in accordance with Financial Orders 601 to 606 given the irregular nature of selected transactions and the lack and destruction of supporting documents.

c. Organize relevant training in relation to the Government of Belize's financial and accountability process for key technical officials within the BDF which may enhance their awareness and compliance to the financial regulations, systems and practices.

d. Have the Captain/Finance Officer IV and his staff account for the sixty thousand seven hundred seventy-eight dollars and ninety-five cents ($60,778.95) which was found to be unaccounted for.

e. Have Captain/Finance Officer IV as the Officer in Charge account for the change of one hundred and seventy dollars ($170.00) which was found to be unaccounted for as well as the seventy-five dollars ($75.00) which has not been refunded to the petty cash.

f. Provide us with the authority for the BDF to collect such funds from the users (vendors) of the BDF Compound.

g. Provide us with authority for the rental of premises.

h. Explain the use of unofficial accounting records contrary to the financial regulations.

i. Evaluate whether the petty cash is serving the required purpose and, where not, consider the use of the BDF's present allocation to meet approved objectives and priorities of the BDF.

j. Ensure that adequate measures are taken to safeguard all accounting records in accordance with Stores Order #2.

k. Ensure strict adherence to financial order #51 regarding the use of receipts in the prescribed form.

l. Ensure strict adherence to financial order #53 regarding the use of carbon for duplicate receipts.

m. Ensure strict adherence to financial order #54 regarding the use of ink on original receipts only.

n. Ensure strict adherence to financial order #55 regarding the issuance of original receipts to the public.

o. Ensure strict adherence to financial order #59 regarding the voiding of receipts with original to be attached.

p. Ensure strict adherence to financial order #60 regarding the maintenance of a cash book.

q. Ensure strict adherence to financial order #61 regarding the bulking of receipts.

r. Ensure strict adherence to financial order #220 regarding the daily checking of cash books.

s. Ensure strict adherence to financial order #573 regarding the prompt recording of receipts in the cash book.

t. Ensure strict adherence to financial order #655 regarding the destruction of records.

131. Recommendation (Report para. 34, PDF p. 401)

The Office of the Auditor General recommends that the Executive Officer should:

a. Adhere to Financial Order #573 with regard to recording promptly all sums of money received or paid by them as public officers for whatever service, whether they form a part of the revenue or not.

b. Consider the opening of a below-the-line account suitable to record only the Benevolent Fund transactions so as not to have these bulked along with deductions to Club Mess Canteen.

c. Consider liaison with the Accountant General to make direct deposits to the Benevolent Fund's bank account rather than utilizing the Commandant as a middle person. This delays the process of receipt of deductions/contributions to the Fund. Furthermore, if monies are deducted from salaries, they can be deposited into the bank account. All that is required is banking information.

d. Provide us with a copy of the Time Certificate of Deposit #503037119 with a principal sum of thirty thousand one hundred eighty-seven dollars and twenty- seven cents ($30,187.27) that was not provided to us at the time of the audit.

e. Conduct bank reconciliation as required by Financial Order #304.

f. Ensure that all deductions made to employees are paid into the Benevolent Fund.

g. Review of pay sheets to ensure that all names of Officers are reflected in the pay sheets.

h. Ensure that every officer or soldier who is a member of the regular force, or who is a volunteer element and opts to join the Fund contributes one day's basic pay per annum.

i. Conduct a review of the active list of employees' activity in the Smart Stream Payroll system to identify those who no longer are active employees and have them removed to the inactive list.

j. Ensure that all amounts paid into the Benevolent Fund are reflected in the corresponding pay sheets.

k. Record all cheque disbursements in the cash book including cancelled cheques.

l. Identify possible supporting documents required for each purpose as stipulated under Section 163 (3) (a), (b) and (c) of the Defence Act, Chapter 135 of the Laws of Belize. This is in an effort to standardize supporting documents for each disbursement. Consider the inclusion of proper medical bills to confirm that assistance was provided for medical reasons. In the case of death, consider the inclusion of the certificate of causes of death and beneficiary forms as supporting documents.

m. Consider a system that would shorten the process of providing assistance to the Officers of the Force since the delays appeared lengthy.

n. Provide copies of all supporting documents to the Department level, since the Department level prepares the cheque. If not, all documents are forwarded, at least consideration should be given for the submission of the Executive Committee's Approval where the yes/no responses are given. This document shows the proper authority for the granting of assistance.

o. Consider in the cases where the Consultative Committee refrains or may not agree with the manner in which Section 163 (3) (c) of the Defence Act, Chapter 135 of the Laws of Belize is being applied, liaising with the Solicitor General in assisting with the interpretation of this Section.

p. Ensure that the name of payee is the same as the name reflected in the Smart Stream payroll system and or in corresponding identification provided.

q. Adherence to the scale of payments as per FHQ/1007 dated 04 March 2002 in an effort to avoid overpayments.

r. Adhere to Section 163 (2) of the Defence Act with regards to the approval process of disbursements. Approvals from the Belize Defence Board who in accordance with Section 163 (2) of the Defence Act, Chapter 135 of the Laws of Belize can only "set a maximum amount annually for the Consultative Committee to administer" are not considered authorized.

s. Adherence to Section 163 (3) (b) of the Defence Act, Chapter 135 of the Laws of Belize, in regard to providing medical assistance outside of Belize.

t. Ensure that contributing Officers and Soldiers are the beneficiaries of the Benevolent Fund.

u. Ensure that deceased officer's records should remain as inactive and not removed from the Government of Belize's payroll system.

v. Request Officers of the Force to update their beneficiary forms annually or as it becomes necessary.

132. Recommendation (Report para. 6, PDF p. 404)

The Office of the Auditor General recommends that the CEO of the Ministry of Defence should:

a. Have Captain/ Finance Officer IV and his staff account for the additional three thousand three hundred and two dollars ($3,302.00) which was found to be unaccounted for.

b. Evaluate whether the petty cash is serving the required purpose and, where not, consider the use of the BDF's present allocation to meet approved objectives and priorities of the BDF.

c. Ensure strict adherence to financial order 53 regarding the use of carbon for duplicate receipts.

d. Ensure strict adherence to financial order 60 regarding the maintenance of a cash book.

e. Ensure strict adherence to financial order 220 regarding the daily checking of cash books.

f. Ensure strict adherence to financial order 573 regarding the prompt recording of receipts in the cash book.

g. If the funds listed in this report and previous audit report referenced AUD/12/13 (107) and dated July 19th, 2017, are not accounted for, hold the responsible officer accountable and surcharge him.