



Internal Audit Unit

Ashley Ritter Building
Wickham's Bay 1
Road Town, Tortola, BVI

Ref No.: IAU/FAR1/10

May 27, 2011

Honourable Roy Harrigan
Speaker of the House of Assembly
Office of the Speaker
Road Town, Tortola
British Virgin Islands, VG1110

Dear Honourable Harrigan,

After reading your letter of May 19, 2011, I am compelled to respond and offer certain clarifications on some misconceptions by the Members on the functions and operations of this Office as it pertains to the reports in question. ***But before I offer any clarification I must respectfully point out that the letter should have been written by the Clerk of the House of Assembly rather than yourself, as you have neither the constitutional nor legal responsibilities relative to these matters.*** In addition, I must say that it is regrettable that in your letter relaying the ***Members' positions***, that none of those positions focused on the substantive issues highlighted in the reports nor did they focus on the facts as reported. Instead, what is evident from your correspondence is that the Members are more concerned with this Office's authority to conduct such audits and produce subsequent reports and their ability to maintain the status quo of a poorly structured and administered programme.

The Internal Audit Unit was established in 1991 to review Government systems with the primary view of offering recommendations that would not only aid in protecting Government's asset and finances, but also to improve the efficiency and effectiveness of its operations. Since the inception of the function, in that absence of legislation, the Unit has been operating under the authority of the Minister of Finance, the Chief Minister and at the time the audit was conducted and the report authored, the Honourable Premier. Over the years, this Unit has on an annual basis used this authority to conduct similar exercises on other Government departments and statutory entities without our authority being challenged.

Phone: (284) 468-3701  Fax: (284) 468-2558

"Our Management Specialist"

In March 2011, the Governor assented to Act No. 1 of 2011, the Internal Audit Act 2011, which was passed by the House of Assembly on February 21, 2011. *This Act formalized the authority on which the Unit has been operating.* Section 4.1 (c) of the Act states the Internal Audit Department is *authorized* to "review operations and programmes of a *Public Authority* to ascertain whether the results are consistent with the objective of the operations and programmes of the Government." Based on the Act, a Public Authority means "any ministry, department or institution in respect of which the Government has control by virtue of the constitution of that institution, excluding statutory corporations that do not received subventions from the Central Government."

From reading your letter, it is our understanding that the Members are of the position that this office audited the accounts of the House of Assembly, which they perceive as being outside of this Office's authority. We do agree that the auditing of the accounts (financial statement) of the HOA is the constitutional responsibility of the Auditor General. However, this office did not audit the accounts. What we audited was the Assistance Grant Programme administered through the House of Assembly. In conducting our audit, it was necessary to review the disbursements and documentation as it relates to Head 700 (formerly 140) subhead 62410 – Assistance Grants. In addition, in the standard operations of this office, it is the responsibility of the Director of Internal Audit to communicate directly the results of any audit to the management of the audited entity, which is in accordance with international standards (ISPPA:2400 –Communicating Results). It is also standard operating practice that all communications produced by this Office is copied to the Permanent Secretary in the Premier's Office and I can assure you that this was done for the audit in question.

Contrary to the Members' assertion that disbursements from the fund are discretionary, this assertion is invalid since disbursements should be guided by the guidelines produced by the House of Assembly, please refer to the note provided in the Appropriation Act. Another misconception that must be addressed is that the Members are of the stance that the report was produced to highlight the "mischief" being perpetrated by them through the programme. As a practice, this office endeavors to conduct its engagements objectively and unbiased, report the facts as found and offer recommendations that adds value or improve the process(es). Furthermore, this office have not and will never attempt to dictate to any Accounting Officer how to manage their finances, what we do is offer sound advice on the effective management of such, in compliance with our financial management laws. We have again reviewed our reports and are too at a loss as to how the Members deduced from their contents that we are making recommendations to correct some "mischief" being perpetrated by them.

The most troubling aspect of your letter is that the Members believe that the "Assistance Grant Programme is being handled the way they [the Members] want it done". We staunchly disagree as the disbursement of public funds is governed by the Public Finance Management Act and Regulations. Although the law does not explicitly binds Members of the House, the Accounting Officer for the House of Assembly, who approves the disbursements, is bound by the standard set forth therein. Section 21(2) of the Public Finance Management Act 2004 expressly states that 'Accounting Officers' are personally accountable for public funds received, collected or

disbursed from monies appropriated. In addition, the Accounting Officer, according to Section 73 of the Public Finance Management Regulations 2005 as amended, must certify the accuracy of disbursements in addition to ensuring that they are adequately supported. We are at a quandary to comprehend what is meant when you said that "the Assistance Grant Programme must be kept simple and not complicated or encumbered by a lot of paperwork." We are not suggesting that the process be overly complicated or cumbersome, what we are advocating is that there should be a minimum standard of documentation to support disbursements from public funds. We are just asking that the House of Assembly, in administering the programme, maintain sufficient documentation to promote transparency and accountability, which are fundamental principles of good governance, a responsibility for which the Members should lead.

In closing, it would be enlightening to know what conditions must exist that would warrant an overhaul of the Assistance Grant Programme? Would it not be more prudent to correct the issues as identified by being proactive rather than reactive? We hope that this letter is received with the sentiment in which it is sent and that it clarifies any misconception that the Members may have as it relates to our authority and to the audit of the Assistance Grants Programme. It is our hope that the recommendations provided will now be accepted and implemented.

Sincerely,

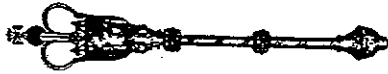


Deputy Financial Secretary
(for) Director of Internal Audit

cc: His Excellency, the Governor
The Deputy Governor
Financial Secretary
Auditor General
Clerk, House of Assembly

Attachments: Your letter dated May 19, 2011 ✓
Internal Audit Report: HOA - Assistance Grant Programme (May 2009) ✓
Internal Audit Follow-up Report: HOA - Assistance Grant Programme ✓
(March 2011)
Memorandum to Clerk form Director of Internal Audit dated April 8, 2011 ✓

HOUSE OF ASSEMBLY OF THE VIRGIN ISLANDS



OFFICE OF THE SPEAKER
Road Town, Tortola
British Virgin Islands VG1110

Tel: (284) 494-4757/8
(284) 468-370 [REDACTED]

Fax: (284) 494-4544

Email: [REDACTED]

LEG/OD/04

19th May, 2011

RECEIVED

Mr. Wendell Gaskin
Director of Internal Audit
Internal Audit Unit
Road Town, Tortola

INTERNAL AUDIT
ROAD TOWN, TORTOLA

Dear Mr. Gaskin,

At a Meeting of Elected Members of the House of Assembly, held on 5th May 2011, I was directed to convey to you the position of Members with respect to your Internal Audit Unit report (May 2009) on the Assistance Grants Programme and your follow-up Audit Review of the same Programme (March 2011).

There is much concern that an audit of the accounts of the House of Assembly was done by the Internal Audit Unit and not the Auditor General as provided for in the Constitution, Chapter 8 (109). Additionally, an audit report of the accounts of the House of Assembly must be routed through the Premier's Office. This was not the case, so Members felt that proper procedure was not followed. Also, Member's conviction is that the Internal Audit Unit does not have the authority to dictate to the House or the Clerk of the House how to manage the finances of the House.

In 2005, the Assistance Grant Programme was expanded to include persons experiencing certain hardships. Along with this expansion, Members felt that they have a good idea of what happens in the community. Members reported that they use their discretion to give funds after hearing from the applicants. Their resolve is that this discretion must be left with the elected members. Furthermore, Members said that they are at a loss to perceive what mischief is being corrected by the recommendations in the reports.

There is a general sentiment among Members that there is no impropriety as far as they are concerned and that the Assistance Grant Programme is being handled the way they want it done. According to Members, the Assistance Grant Programme must be kept simple and not complicated or encumbered by a lot of paperwork. However, Members are aware

that there will come a time when the Programme will have to be overhauled, but until that time, they will continue to have the allowances and give assistance in their usual way.
Regards,



Speaker, House of Assembly

RH/ml

Cc: The Clerk, House of Assembly

INTERNAL AUDIT UNIT



Assistance Grants Programme

2006-2008

May 2009

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1.0 EXECUTIVE SUMMARY

- 1.1. The main findings resulting from the audit of the Assistance Grant Programme are as follows:
 - 1.1.1. The Assistance Grants Programme is currently governed by guidelines developed and agreed upon by the Members of the House of Assembly (HOA). The current guidelines are grossly inadequate and therefore are difficult to enforce, contradictory, and vague in most instances. As a result, necessary controls to ensure transparency and consistency within the programme are deficient.
 - 1.1.2. In requesting assistance from the programme, applicants are required to submit documentation substantiating their requests. However, in most instances requests are not substantiated. Requests are sometimes granted on a mere one line letter and no additional information to show how the funds granted will be used.
 - 1.1.3. As the Accounting Officer for the House of Assembly, the Clerk cannot make expenditure from this subhead (62410) without the expressed consent of the Elected Representatives.
 - 1.1.4. There is no communication structure in place throughout the programme to disseminate information that would allow applicants to be informed on the status of their application and Members to be aware of competing requests.
 - 1.1.5. The budget for this subhead is determined by the Members of the House of Assembly during the Standing Finance Deliberations and not by the Clerk.
 - 1.1.6. Other government agencies currently administer similar services and assistance programmes which are more objective and transparent to that of the House Assembly's Assistance Grants Programme.
 - 1.1.7. The manner in which assistance is granted to applicants appears to be very subjective, in that it is not clear how Representatives determine the amount to be awarded to applicants requesting assistance.
 - 1.1.8. It was discovered that record management as it pertains to filing applications and documents (approval letters, purchase orders and vouchers) for disbursement needs improvement, as it is difficult to trace applications to approvals and vouchers.

2.0 INTRODUCTION

- 2.1. Subhead 62410 (Assistance Grant Programme) first appeared in the 1997 Recurrent Budget Estimates of Revenue and Expenditure, with its supporting note being “to cover the cost of minor District/Territorial projects submitted by Elected Members.” At its inception, the funding for the programme was limited to sixty thousand dollars (\$60,000) per District Representative and seventy five thousand dollars (\$75,000) per Territorial Representative.
- 2.2. Over the years the programme has evolved, both in usage and funding. Presently, the programme is widely used to provide financial assistance to individuals and organizations throughout the Territory and also to finance constituency offices. Development of minor district or territorial projects accounts for less than one percent (1%) of actual disbursements from the funds.
- 2.3. For the period under review, 2006 – 2008, approved funding for the programme was sixty thousand dollars (\$60,000) for each District Representative and seventy five thousand dollars (\$75,000) for each Territorial Representative. This represents a fifty percent (50%) reduction from the 2003 allocation. In 2008 the allocation was increased by one hundred and fifty percent (150%) from the base year 2006.

3.0 AUDIT TYPE

- 3.1. Operational and Compliance

4.0 AUDIT SCOPE

- 4.1. The scope of the audit covers financial disbursements from the Assistance Grant Programme facilitated by the Legislative Council/House of Assembly between January 1, 2006 and December 31, 2008.

5.0 AUDIT OBJECTIVE

- 5.1. To determine and define the purpose of the Assistance Grants subhead.
- 5.2. To give assurance to the adequacy of the control systems in place to safeguard the programme from abusive practices.
- 5.3. To identify area or purpose for which the programme funds are most widely used.
- 5.4. To identify and assess the adequacy of the process of distributing funds from the programme.

6.0 AUDIT CRITERIA

- 6.1. The Virgin Islands Recurrent and Capital Budget Estimates.
- 6.2. Financial Records from the House of Assembly.
- 6.3. Interviews with Personnel from the House of Assembly.
- 6.4. Review of applications and documentation submitted and held by the House of Assembly.

7.0 FACTS AND FINDINGS

General

- 7.1. It was discovered that there are a number of other government agencies that administer similar programmes for which funds from the assistance grants are used. These include:
 - 7.1.1. The Public Assistance Programme administered by Social Development. Decisions on applications from this programme are made by the Public Assistance Committee after assessments and reports from social workers. Assistance currently being provided include: family and individual grants, emergency assistance (medical, food, clothing etc), assistance with utilities and funeral grants. Therefore, the grant programme facilitated through the House of Assembly is a clear duplication of the efforts already established by these structured programmes.
 - 7.1.2. The Ministry of Education also administers an assistance grants program which provides miscellaneous grants to students, organizations and committees.
 - 7.1.3. **Based on the assistance offered by these already established programmes, the audit team is at a loss as to what necessitated the evolution of this programme from its original intent, of facilitating minor district projects, to one whereby Elected Members are solely responsible for deciding who is granted funds from the programme.**
- 7.2. A survey was conducted to determine the public's awareness and perceptions of the assistance grants programme. Most respondents were not aware of the programme and those who were aware were not knowledgeable of the purpose of the programme. This could probably be as a result of the programme not being adequately defined and the public not being educated on the purpose of the programme. As a result, a wide range of requests are being rewarded through the programme.

Assistance Grants Guidelines

- 7.3. The Assistance Grants Programme is regulated through guidelines developed and agreed upon by the Members of the House of Assembly. These guidelines lack objectivity and are easily changed at the Members' discretion.
- 7.4. These guidelines are grossly inadequate as they are in some cases difficult to enforce, contradictory and vague. *See Appendix 1* for more details pertaining to each guideline, however a few examples follow:
- 7.4.1. The guidelines prohibit Members from providing assistance to self, however, this guidance lacks adequate provisions for enforcement since Members are not required to provide a list of relatives, nor are they prohibited from entering into contracts with family members.
- 7.4.2. In addition, the guidelines prohibit Members with majority interest in companies from providing assistance to those companies. However, this guidance is inadequate in that it seemingly allows Members to provide assistance to companies in which they may have minority interest. This in itself would contradict the prohibition of assistance to self because Members with minority interest would also benefit personally from any assistance rendered to that company.
- 7.4.3. Guidance 17, as with most other guidances, requires supporting documentation to be provided to legitimize the need for assistance. However, such requirement is vague in that it does not dictate acceptable standards of documentation and as such the practice has been accepted whereby simple letters from applicants are being accepted as legitimate documentation of need.
- 7.5. In majority of cases, the guidelines are not enforced as the department has failed to create the necessary controlled environment and activities to manage the function effectively.

Assistance Grants Usage

Due to the voluminous number of requests submitted for consideration and the varied nature of the requests, the audit team formulated a ranking system to classify the requests. Three (3) broad categories were created and each submission was ranked according to the following:

- An application receiving a ranking of one (1) was considered genuine and substantiated. This means that the supporting documentation was sufficient to justify the request.
- An application receiving a ranking of two (2) was considered satisfactory. This means that the supporting documentation was not sufficient to justify the request, however, a letter from the applicant requesting the assistance was submitted. Although a letter from

the applicant was submitted, in most cases it did not establish or prove the need for assistance. *Appendix 2* provides samples of such letters. In addition, monthly allowances by Members were placed in this category.

- An application receiving a ranking of 3 was considered unsubstantiated. By this, there was no supporting documentation or the documentation submitted did not justify the need for assistance.

7.6. **Initially intended to finance minor development projects, the Assistance Grant Programme has evolved over the years into an unorganized welfare programme with little accountability, weak controls and minimal enforcement of requirements.**

7.7. During the period 2007 to 2008, the highest disbursements categories were financial assistance which includes financial assistance/hardship, educational grants and district expenses. The majority of the applications for these disbursements lacked supporting documentation to substantiate the requests for assistance. Despite the lack of documentation, grants were awarded. This therefore begs the question as to the basis on which grants are awarded and the level of transparency throughout the process.

7.7.1. The audit revealed that in 2007, eight hundred and thirty-five thousand seven hundred and seventy-three dollars and sixteen cents (\$835,773.16) was granted for requests pertaining to financial assistance. This amount accounted for fifty percent (50%) of the total funds disbursed that year. In 2008, this amount rose to eight hundred and ninety-three thousand one hundred and ten dollars and thirty-seven cents (\$893,110.37), or thirty-four percent (34%) of the total funds disbursed for that year. These requests were granted based on various demands outlined on applications which included assistance to pay for childcare fees, house rent, house mortgages, bank loans, purchase of fishing boats, purchase of computers/laptops, legal fees and **court fees**.

7.7.2. Disbursements for district expenses and educational grants were second in ranking after financial assistance. In 2007, two hundred and sixty-two thousand nine hundred and eighty-four dollars and fifty-two cents (\$262,984.52) was disbursed for educational assistance and two hundred and forty-one thousand nine hundred and eighty-five dollars and six cents (\$241,985.06) was disbursed for district expenses. These amounts accounted for sixteen percent (16%) and fourteen percent (14%) respectively. In 2008, these amounts were two hundred and three thousand one hundred and four dollars and eighty-seven cents (\$203,104.87), eight percent (8%) of the total disbursement and two hundred and seventy-five thousand nine hundred and ninety-one dollars and twenty cents (\$275,991.20), eleven percent (11%) of the total disbursement for that year. Disbursements for educational assistance covered assistance for tuition, textbooks, room and board and other living subsistence. District

expenses encompass payments for Representatives' district secretaries' salaries, office rent, utilities and minor projects such as district cleaning projects. Refer to the *Appendix 2* for further details on disbursements for the programme.

- 7.8. The year 2008 was chosen as the sampling year; however, submissions for the other years under review were administered in like manner. It was found that a large number of requests based on the ranking system mentioned above had an unfavourable ranking. Of the two thousand, nine hundred and twelve (2,912) applications reviewed, one hundred and sixty-nine (169) received a ranking of one (1)¹, one thousand eight hundred and seventy-one (1,871) received a ranking of two (2)² and eight hundred and seventy-two (872) received a ranking of three (3)³. However, of the applications receiving ranking of two (2), fifty-eight percent (58%) accounted for grants that were for monthly assistance.
- 7.9. As a result of the lack of adequate controls and regulations a number of situations were discovered which can be viewed as a conflict of interest, a breach of both the House of Assembly guidelines and the established procedures for committing public funds.
- 7.9.1. The practice of entering into contractual agreements with family members where the Member may also have a private interest such as rental space for district office.
- 7.9.2. In one instance, it was discovered where a Member made a private commitment with a financial institution to assist an individual with mortgage payments; however, public funds were used to satisfy the commitment. In addition, based on the documentation submitted, the Member stood to personally benefit from assisting the individual as the Member simultaneously maintained a private business relationship with the individual.
- 7.10. **In one instance, it was discovered that a grant was awarded to an inmate of HM Prison to provide assistance to appeal his conviction. In another instance, an award was granted to pay the court imposed fine for criminal conviction. These two instances illustrate the unrestrained use of the funds as both awards were made on the basis of financial hardship.**
- 7.11. **It was discovered in a number of cases that Representatives granted awards to individuals to settle outstanding bills which were due to other government agencies. Examples of these included assistance to pay water**

¹ Ranking 1- Supporting documentation was sufficient to justify the request.

² Ranking 2- Supporting documentation was not sufficient to justify the need for assistance; however, a letter from the applicant was submitted.

³ Ranking 3- No supporting documentation or documentation submitted did not justify the need for assistance.

bill and income taxes. This practice shows that government is essentially granting assistance to pay itself and therefore does not portray government receiving any revenue as the money given as assistance is government funds.

- 7.12. Local events committees such as those for Festival and Fairs and Music Festival also receive funds in the form of assistance from the programme. An approved budgeted amount is also granted by government to these committees, but although government assists in subsidizing the costs for these events, it appears that the amount is insufficient as additional funds have to be sought and the programme is used as a resource for these additional funds.

Administration

- 7.13. The assistance process is initiated by submitting an application provided by the House of Assembly. This application is to be filled out with pertinent information and lodged with the House of Assembly. However, in numerous cases incomplete applications are submitted for consideration. Furthermore, information provided on applications is not verified for accuracy. The audit revealed that there are instances where applicants have blatantly lied (dishonest or less than truthful) or omitted information on the applications which were processed and awards made.
- 7.14. The Clerk is the Accounting Officer for the House of Assembly; however, the Clerk lacks the necessary authority to make expenditure from this subhead (62410) without the expressed consent of the Elected Representative. This begs the question, as the Accounting Officer for the House of Assembly where does the Clerk's responsibility and accountability end.
- 7.15. The audit revealed numerous instances whereby assistance was provided to individuals based on letter submissions from the Members and disbursements being made without requesting the Member to substantiate the requests.
- 7.16. The application for assistance mandates that applicants "undertake to give his/her District/Territorial Representative a written account with documentary proof of the use of any amount granted on this application...without delay", however, this requirement is not enforced and therefore diminishes the accountability capacity of the programme.
- 7.17. There is no communication structure in place throughout the programme to disseminate information that would allow applicants to be informed on the status of their application and Members to be aware of competing requests. The success and failure of the programme is heavily dependent on an adequate flow of vital information that facilitates a control environment where risk events such as over expenditure can be detected or even prevented.

- 7.18. Adequate control mechanisms are not in place to safeguard public funds through the Assistance Grants Programme from abusive practices.
- 7.18.1. The programme relies heavily on limited human checks as a control to detect duplicate requests; as a result, the likelihood of duplicate requests going undetected is significantly increased.
- 7.18.2. As the Accounting Officer, the Clerk has the final authority to approve/disapprove any disbursement from the assistance grants subhead that in his/her opinion is questionable. However, the audit revealed that it would be difficult for the Clerk to exercise this right since it has become the norm for Members to solely approve requests. Clause 6(1) of the Public Financial Management Regulation states that "If an Accounting Officer believes that to comply with a direction given to him by the Minister would be inconsistent with the officer's duties, the officer shall give the Minister written notice of the officer's disagreement and the reasons for the disagreement and place a copy of the notice on record."
- 7.19. The budget for this subhead is determined by the Members of the House of Assembly during the Standing Finance deliberations. There is no discernable trend between funding and needs; however, there is a correlation between Administrations (Government of the day) and funding.
- 7.20. It was discovered that record management as it pertains to filing applications and documents (approval letter, purchase order and voucher) for disbursements are poorly kept. Applications are filed separate to other documents with nothing but the applicant's name to reference it back to other documents. The purchase order and voucher number are not written on the form. This is also compounded by the fact that the application form does not have an application date inserted. This practice can lead to duplicate payments being processed for the same application and thus lacks the transparency needed for an audit trail.
- 7.21. It was discovered that the transition process between the outgoing and incoming Clerks is poor. The replacement Clerk is left to learn things on his/her own and thus shows poor planning in terms of the succession planning programme of the department. At the time the audit was being conducted, a new Clerk was appointed.
- 7.22. The audit revealed that the manner in which assistance is granted to applicants is very subjective and therefore begs the question as to why an applicant requesting \$3,000 receives a grant of \$300 and an applicant requesting \$5,000 receives the requested amount. In both instances, the level of supporting information was the same.

8.0 RECOMMENDATIONS

The following recommendations are to be implemented for the long term:

- 8.1. It is recommended that consideration be given to transfer the funding from this subhead to agencies that have already established similar programmes, such as Social Development (Hardship) and the Ministry of Education (Educational assistance), that can give the needed transparency and consistency needed to administer these funds.
- 8.2. It is recommended that an appropriate budget be prepared for the programme with the view of returning it to its original purpose of providing assistance to finance minor district projects.

In the interim (short term), the following recommendations should be implemented in order to bring structure to current programme:

- 8.3. It is recommended that the present guidelines be revised by an independent body to eliminate any inconsistencies which may exist. It is further recommended that such guidelines be formally adopted by Cabinet to better regulate the use of this subhead in the long term.
- 8.4. It is recommended that limits be put in place as to the amount any individual or any corporate or charitable body may be awarded from this subhead.
- 8.5. It is recommended that documentation standards and requirements be put in place by the Accounting Officer and that the Accounting Officer refuse authorization of any approved submission by Members that does not meet the established standards.
- 8.6. It is recommended that the provision for the applicant to produce evidence of use of award be strictly enforced and that no other award is given until the requirement is fulfilled to the Clerk's satisfaction.
- 8.7. It is recommended that a verification system be put in place to verify the information provided by applicant on the application form.
- 8.8. It is recommended that the Members be required to provide to the Clerk, the names of persons and companies that would fall under guidance 1 and 2 of the guidelines.
- 8.9. In cases where awards are made to settle outstanding amounts owed to vendors (bills) or individual, cheques should be made payable to the person(s) or vendor(s) to whom the monies are owed and not to the applicant requesting the assistance.

- 8.10. All requests for assistance due to financial hardship should be accompanied by documented evidence, such as past due bills, invoices, letter from person or institution owed. Letters from applicant should not be used as the sole basis on which requests are granted.

9.0 CONCLUSION

- 9.1. The Assistance Grant Programme facilitated by the House of Assembly may prove to be a very effective tool in executing small district projects as originally intended. However, in its present state, the programme does little to develop the district but serves to provide general financial assistance to individuals for varied purposes. The programme is largely administered based on the individual will of Elected Officials. Being such, the need for accountability and transparency is greatly heightened. In its present state this programme is void of an adequate control framework which leaves the programme susceptible to abusive and fraudulent practices, by both applicants and Elected Officials.
- 9.2. The funds disbursed from the assistance grants programme form a part of Government's budget each year, therefore any expenditure from this subhead must maintain the same level of documentary evidence as any other expenditure and must be accounted for in the same manner as expenditure for other subheads as per Public Finance Management Regulations 2005. As a matter of fact, because Elected Members are the sole determinants as to who is rewarded from this subhead, the level of accountability and transparency must be augmented to do away with any perception of malfeasance or impropriety. As it now stands, the manner in which the programme is administered leaves room for much speculation and possible incorrect perceptions about the programme. If one was to review the documentation on which assistance is given, and hold it against the most liberal of standards for transparency and objectivity, it would fail miserably. As a result, one can perceive the programme as one to provide legitimate assistance to constituency or equally a programme to compensate cronies and voters for their support and also to win over the electorate for the next election. Such perception left unchecked can seriously undermine the programme, as well as the Government.

Meticulous

Appendix 1

Categorized Guidelines for Head 140 Subhead 62410- Assistance Grant

The following are the guidelines currently being used by the House of Assembly to govern the Assistance Grants Programme. However, these guidelines are grossly inadequate as they are in some cases difficult to enforce, contradictory and vague. Deficiencies found with each guideline are listed below in blue.

General Guidance

1. Assistance to “self” by all Representatives is prohibited. “Self” for this purpose is defined as a grant of whatever nature to the relevant Representative, his/her spouse, parents, offspring, offsprings’ spouses, siblings or siblings’ spouses.

This guidance:

- *Lacks enforcement mechanism, in that Representatives are not required to submit a list of family members to the Clerk.*
 - *Does not prohibit Members from entering into contracts with relatives.*
 - *Reimbursement for utility payments incurred at District Offices is submitted without supporting documentation.*
 - *Does not prohibits Members from providing assistance to other Members of the House of Assembly?*
2. Assistance to companies in which Representatives have a majority ownership interest is not allowed.
 - *This guidance contradicts the prohibition of assistance to self because Members with minority interest in companies also benefit personally from any assistance rendered hence it is assistance to self.*
 11. Assistance is prohibited to any organization not registered and operating in the Territory, or for projects not being carried out in the Territory where a BVIlander is not a beneficiary.
 - *This guidance is difficult to enforce since the office does not have access to an adequate registry of companies and database of BVI nationals.*
 13. Representatives are not to entertain application from members of staff of the Office of the Legislative Council from this subhead for the reasons that 1) members of staff would have an unfair advantage with respect to “inside information,” 2) members of staff would compromise their professional objectivity; and 3) members of staff seeking such assistance would call into question the overall integrity of the Office of the [House of

Assembly], except in the rare instance of medical and educational need. Any such requests should be vetted by the clerk before presented to the Representative, and any money granted should be paid directly to the medical or educational institution.

- *This guidance is not fully enforced, as it was discovered that requests were made by some staff members. These requests were honoured and checks were made payable in their respective names.*

14. A tracking system for multiple and/or repeated grants to individuals and organizations is to be implemented by the Office of the Legislative Council for Representatives' information for the avoidance of exploitation by recipients.

- *A database was created but it is not used to track duplicate requests.*
- *It is not clear as to who or what determines what is meant by exploitation. There is no standard for exploitation. (For example, can 'multiple awards' or 'a large one time disbursement' be considered exploitation)*

15. Completed application forms for assistance should be lodged by the District/Territorial Representative with the Clerk of the Legislative Council as the Accounting Officer, for consideration under the appropriate Head and Subhead of the Estimates approved by the Legislative Council, and within the guidelines approved by the Legislative Council.

- *This guidance is not clear in outlining who is ultimately responsible for disbursement from this subhead, the Clerk or the Members lodging the requests?*

16. If the application requires further information or discussion the Representative will be so informed in writing by the Clerk of the Legislative Council.

- *This guidance is not enforced as no documentation was found to reflect the Clerk's disapproval of any application submitted. Communication concerning the Clerk's disapproval is done verbally.*

17. Supporting documentation for all requests is to be provided by each applicant.

- *This guidance is not adequately enforced as from documentation reviewed, it was discovered that awards are made on simple one line letters indicating financial hardship submitted by applicants.*
- *It is not clear as to what the minimum supporting documentation that is necessary for each category (medical, financial, education etc.)*
- *Proving that the requests are legitimate by having applicants substantiate their need for assistance.*

Financial Guidance

4. Financial assistance for community organization such as schools, churches, and non-profit organization is allowed accompanied by supporting documentation of need or rationale.
 - *Proving that the requests are legitimate by having applicants substantiate their need for assistance.*
8. Financial Assistance Grants are limited to individuals experiencing genuine hardship brought on by unusual and extenuating circumstances, reason for which should be provided, and such financial assistance should not be granted on a recurring basis.

Educational Guidance

3. Financial assistance for scholarship is allowed subject to verifiable need and supporting documentation from the educational institution.
 - *Proving that the requests are legitimate by having applicants substantiate their need for assistance.*
6. Request relating to all educational grants, whether for tuition, textbooks, transportation or living expenses must be substantiated by supporting documentation.
 - *Proving that the requests are legitimate by having applicants substantiate their need for assistance.*
7. Request for payment of taxi transportation services are allowed subject to a signed agreement between the Member and a driver showing rates and times of service.
 - *Members are not providing the required agreements or the agreements are not attached to the payment vouchers by the Department.*
 - *From records reviewed the current rate is \$50.00 per night. However, it not justified as to whether this rate is economical and if it is being applied across the board.*

Medical Guidance

5. Request for assistance with medical expenses should be accompanied by evidence from the attending physician which should be given as soon as possible or no later than 60 days after application is made.
 - *This guidance is not enforced*

- *Proving that the requests are legitimate by having applicants substantiate their need for assistance.*

Monthly Living Allowance Guidance

9. The practice of an individual receiving monthly living allowance from more than one Representative is allowed up to \$400.00. In any case, serious consideration is to be given to linking these allowances with the Social Development Department to ensure that, in the event that a Representative is not re-elected, the individual is not left without means. Individuals already receiving monthly grants should not be subject to evaluation by the Social Welfare Department.

- *Proving that the requests are legitimate by having applicants substantiate their need for assistance.*
- *This guidance is incomplete since it does not stipulate whether each Member is allowed to give \$400.00 or the total allowance by all Members should not exceed \$400.00.*

District Expenses Guidance

10. District Office Expenses relating to rent, staff and operating expenses are allowed up to a maximum of \$24,000.00 per annum.

- *From records reviewed, it is apparent that the amount of \$24,000 per annum is insufficient as Members with district offices exceed this limit.*




12. District projects are allowed from the grant. Where a project exceeds \$7,500.00 it should be accompanied by proper Bills of Quantity approved by Public Works Department or a recognized engineer or architect.

- *This guidance is being followed to some extent, as some minor district projects such as bush trimming and drain cleaning have bill of quantities prepared by PWD. However, it was discovered that not all of the minor district projects have bill of quantities attached, in some cases the supplier's submitted cost was used.*

Appendix 2

Table 1: Showing actual disbursement by District/Territorial 2006-2008

	2008	2007	2006
District 1	159,800.00	118,901.60	99,897.31
District 2	159,999.93	120,639.75	100,459.33
District 3	160,000.00	120,000.00	100,000.00
District 4	156,313.20	119,622.71 *	94,424.16
District 5	159,319.52	117,978.90 *	94,912.30
District 6	161,166.43	119,843.90	100,294.88
District 7	156,378.38	117,105.21	100,203.60
District 8	124,998.55	111,453.53 *	99,831.89
District 9	158,998.12	120,220.29	100,391.69
Territorial 1	184,814.38	153,174.75	125,000.00
Territorial 2	182,620.52	152,054.38 *	124,980.62
Territorial 3	185,210.95	133,701.39 *	124,471.07
Territorial 4	181,686.03	144,779.90 *	124,999.28
Total	2,131,306.01	1,649,476.31	1,389,866.13

	Representative who overspent their allotment of \$150,000- District, \$175,000- Territorial
	District Representatives who overspent their allotment in excess of the territorial allotment level of \$75,000
	Representative who overspent their allotment of \$60,000- District, \$75,000- Territorial

*** Amount reflects disbursement from two (2) Representatives due to a change in Representative after the general election held in 2007**

Figure 1: Budgetary Allotments to District/Territorial Representative from 1998-2008

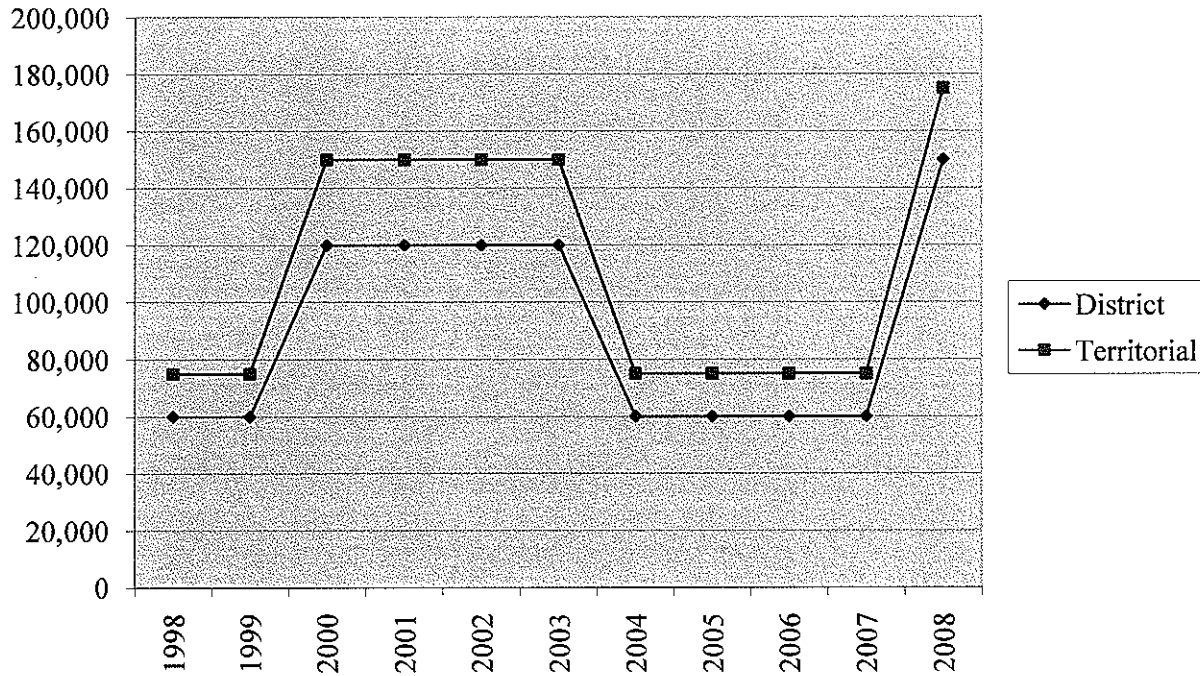


Table 2: Disbursement by Categories 2007-2008

Category	2008		2007	
	Amount	%	Amount	%
Financial Assistance/Hardship	891,610.37	24%	835,773.16	50%
Educational Grants	203,104.87	4%	262,984.52	15%
Monthly Assistance	176,950.00	22%	214,524.98	13%
District Expense	275,991.20	4%	241,985.06	14%
Medical Assistance	179,932.50	3%	69,213.36	4%
Funeral Grants	87,921.06	2%	46,025.23	3%
Reissued Checks	16,831.00	1%	11,455.32	1%
Unclassified *	342,219.42	40%	-	0%
Credits	(43,254.41)		(32,485.32)	
Total	2,131,306.01	100%	1,649,476.31	100%

*Amount Consist mostly of monthly contributions/assistance.

Figure 2: Disbursements by Category 2008

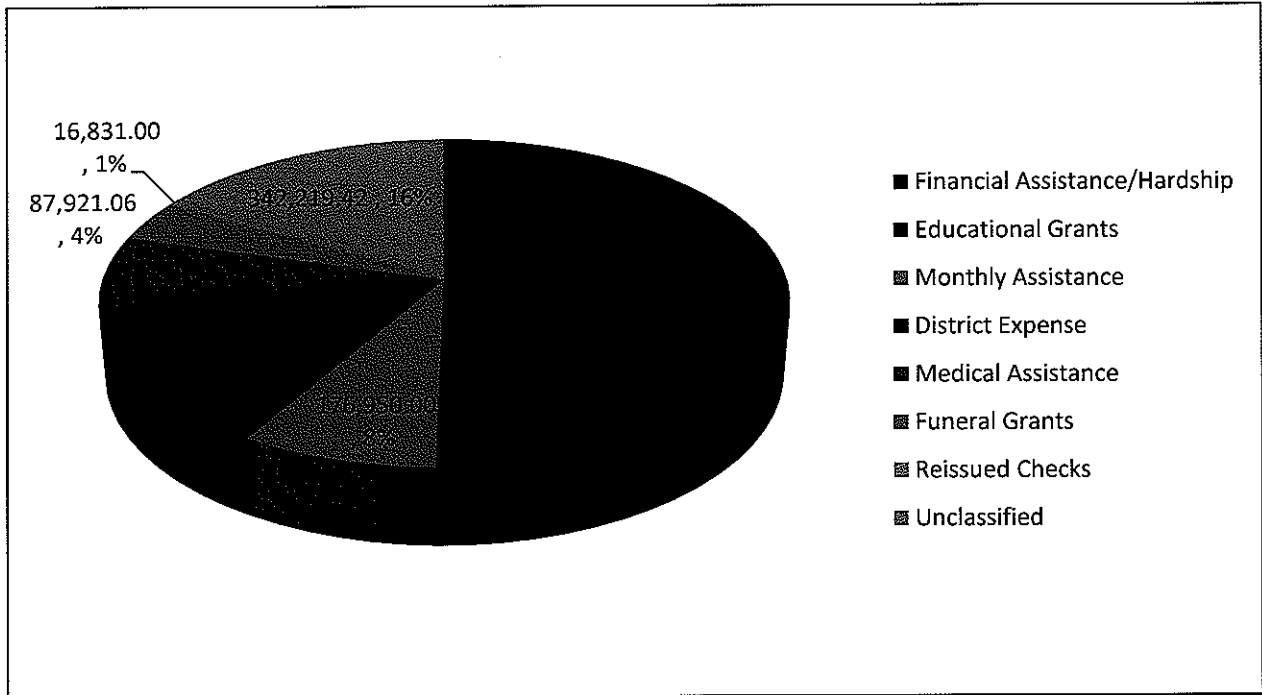
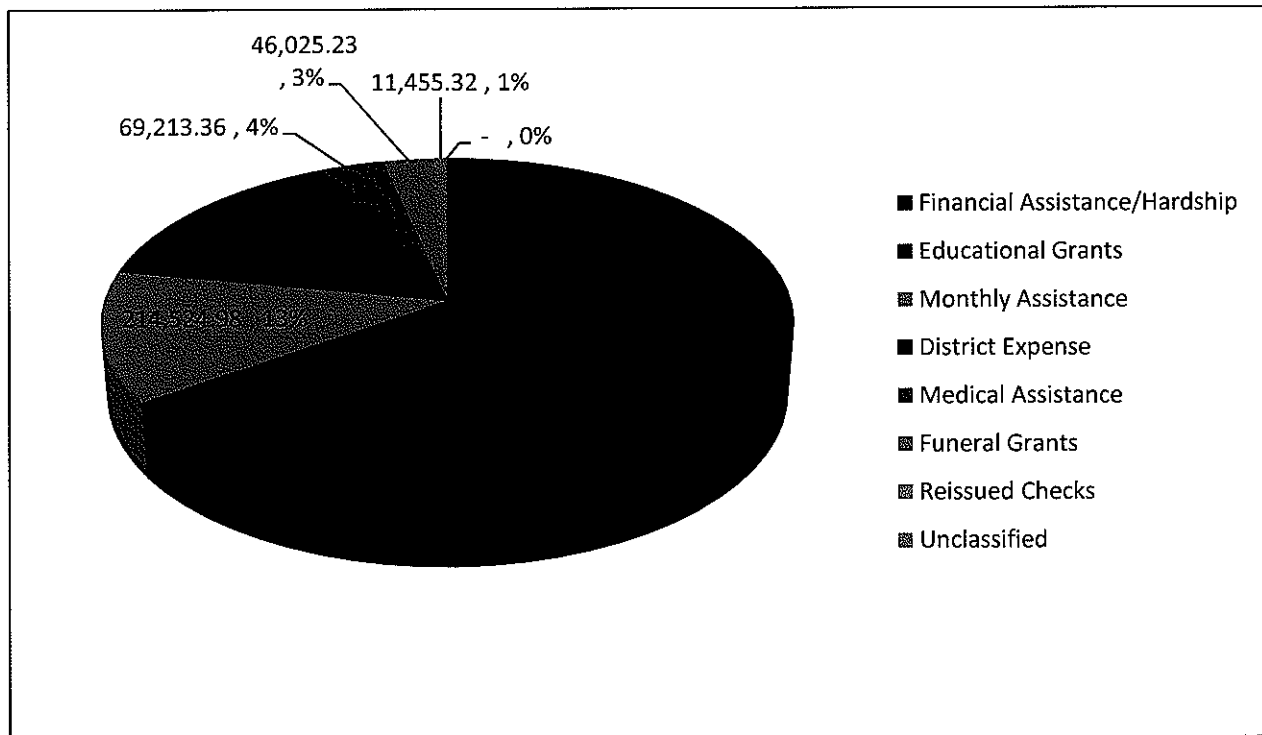


Figure 3: Disbursements by Category 2007



*Table 3: Assistance Grants disbursed in 2008 and the purposes for which they were granted
(Sample)*

G/L Date	Batch #	Document #	Debit Amount	Remarks
4/1/2008	872519	524492	\$ 700.00	Payment for music at victory party celebration
7/31/2008	912820	540785	\$ 500.00	Honorarium
9/22/2008	927712	546302	\$ 3,000.00	Payment of excavator work from previous Representative's tenure
9/30/2008	930428	547340	\$ 475.00	Repairs for gate destroyed by [REDACTED]
5/1/2008	882024	528263	\$ 258.50	District Lunch Meeting
5/14/2008	885412	529810	\$ 1,000.00	Assistance with daily living expenses
5/20/2008	886988	530480	\$ 270.00	Purchase of galvanize fencing and tie wire
6/4/2008	892936	532667	\$ 1,063.00	Cost of computer for student
6/13/2008	896156	533914	\$ 210.00	Office equipment for District Office
11/3/2008	940540	550963	\$ 2,000.00	Cleaning and fencing grounds at [REDACTED]
12/15/2008	957818	558490	\$ 5,000.00	Road Town Committee, district party
12/16/2008	958859	558925	\$ 290.05	Payment of outstanding electric bills
12/18/2008	960122	559488	\$ 1,600.00	Cleaning of park in [REDACTED]
7/23/2008	909159	538974	\$ 600.00	Payment of tuition and fees to [REDACTED] and [REDACTED]
7/28/2008	910946	539902	\$ 1,500.00	Tuition assistance
7/30/2008	912119	540541	\$ 2,000.00	Tuition assistance
7/31/2008	912828	540796	\$ 300.00	Assistance with purchasing textbooks for child
8/29/2008	920922	543825	\$ 500.00	Assistance with child school fees
9/4/2008	922253	544431	\$ 1,500.00	Assistance for tuition and board
9/8/2008	923405	544804	\$ 500.00	Tuition assistance
9/12/2008	925175	545397	\$ 600.00	Excavation work
9/22/2008	927712	546303	\$ 525.00	Children's school and bus fee payment
6/19/2008	898082	534684	\$ 2,560.00	Tuition and fees assistance
11/3/2008	940553	550971	\$ 1,000.00	Purchase of computer
3/27/2008	871145	524053	\$ 200.00	Basketball Uniforms
5/2/2008	882294	528420	\$ 300.00	Assistance to pay for driving lessons due to financial hardship
5/6/2008	883243	528992	\$ 976.82	Financial assistance towards water connection in [REDACTED]
5/7/2008	883529	529043	\$ 647.08	Reimbursement for electricity bill [REDACTED]
5/7/2008	883538	529048	\$ 513.57	Water connection for resident
5/13/2008	884996	529619	\$ 200.00	Financial contribution to [REDACTED]
5/14/2008	885267	529744	\$ 150.00	Financial contribution to settle invoice for an application for British Passport and an application for Belonger Card
5/15/2008	885468	529860	\$ 3,500.00	Assistance with disputed water bill

5/20/2008	886967	530466	\$ 450.00	Financial Assistance to prevent incarceration
5/21/2008	887503	530659	\$ 448.00	Assistance with the purchase of a desktop computer from Infinite Solution
5/21/2008	887963	530888	\$ 500.00	Financial contribution towards enrollment in the United States Presidential Inauguration
5/22/2008	888359	531038	\$ 2,155.00	To purchase uniform for Basketball team
5/23/2008	889211	531379	\$ 2,000.00	Interdicted from duty and requested assistance with monthly obligation since placed on half salary
5/26/2008	889564	531560	\$ 1,200.00	Financial contribution towards festival, Contribution by Member
5/26/2008	889564	531563	\$ 1,000.00	To purchase a laptop
5/28/2008	890674	531969	\$ 802.03	Payment for airline ticket
6/4/2008	892633	532527	\$ 591.80	Payment of bill for airline tickets
6/5/2008	893298	532910	\$ 1,000.00	Financial assistance to help the purchase of a new bus. No bill of sales/quotation/invoice attached
6/6/2008	893962	533148	\$ 2,000.00	Assistance to defray cost of hosting a celebration party for the team and to purchase gears and equipment
6/9/2008	894313	533335	\$ 300.00	Financial assistance to pay water bill
6/9/2008	894324	533346	\$ 1,500.00	To purchase uniform for Basketball Team
6/9/2008	894491	533421	\$ 3,231.30	Assistance to repair a vehicle
6/12/2008	895749	533751	\$ 200.00	To supply groceries and other home supplies up to the value of \$200.00 from Buck's Food market for resident
6/13/2008	896156	533911	\$ 1,016.00	Assistance with fencing premises
6/13/2008	896208	533937	\$ 4,067.15	Financial contribution towards medical expenses. Total amount to be paid is \$12,201.46, payments should be in 3 equal payments for three months
6/17/2008	897167	534344	\$ 2,000.00	Financial assistance to purchase a tenor saxophone
6/18/2008	897303	534405	\$ 400.00	Financial contribution towards the sponsorship of T-shirt and a banner for the church's fair fundraiser
6/24/2008	898981	535129	\$ 1,000.00	Financial assistance towards water bill
6/26/2008	900325	535574	\$ 2,000.00	Assistance to purchase a vessel for fishing business
5/20/2008	886973	530471	\$ 180.00	Financial contribution to purchase chicken for church
1/15/2008	851013	516102	\$ 500.00	Contribution towards boxing
1/15/2008	851023	516110	\$ 500.00	Payment of school fees for son
1/17/2008	851524	516255	\$ 3,000.00	Financial Assistance for bills
1/21/2008	852393	516595	\$ 4,000.00	Donation for musical equipment
1/22/2008	852591	516692	\$ 500.00	To assist with the payment of credit card, school fees and car repair bills

1/23/2008	853044	516823	\$ 1,000.00	Purchase of furniture
1/23/2008	853055	516831	\$ 750.00	Purchase parts for a boat
1/24/2008	853648	517135	\$ 1,000.00	Repair of Fishing Vessel
1/31/2008	855350	517823	\$ 875.00	Purchase of a Laptop
2/26/2008	862579	520676	\$ 120.00	Uniform for sports day
3/11/2008	866645	522250	\$ 700.00	Licensing fees for fishing vessel
3/11/2008	866708	522285	\$ 300.00	Ticket to Puerto Rico
3/11/2008	866710	522286	\$ 500.00	Donation for Virgin Gorda Festival
3/18/2008	868977	523276	\$ 3,000.00	To assist with payment of bank loan
3/25/2008	870359	523743	\$ 800.00	Assistance to attend The Phi Theta Kappa Convention
4/3/2008	873430	524936	\$ 400.00	To assist with payment of house rent
4/8/2008	874825	525552	\$ 3,000.00	To assist with payment of mortgage
4/11/2008	876072	525976	\$ 300.00	Donation for Car Show
4/23/2008	879504	527293	\$ 500.00	Participation in [REDACTED] in Europe
7/1/2008	901150	535835	\$ 1,000.00	Payment bank loan
7/1/2008	901154	535837	\$ 600.00	To assist with payment of day care bills
7/10/2008	904575	537110	\$ 300.00	Payment for books for Elmore Stoutt High School
7/11/2008	905165	537273	\$ 199.47	To assist individual with ensuring her children has food to eat. Payment made directly to supermarket.
7/16/2008	906644	537850	\$ 700.00	To assist with the purchase of a refrigerator
7/21/2008	908164	538497	\$ 783.53	To assist with payment of Income Tax
7/21/2008	908164	538498	\$ 600.00	To assist with down payment apartment
7/28/2008	910932	539891	\$ 1,500.00	To assist with the purchase of band equipment
7/28/2008	910946	539899	\$ 522.00	To assist with payment for airline ticket
7/28/2008	910946	539904	\$ 1,000.00	Assistance with building a retaining wall
7/28/2008	910958	539923	\$ 300.00	Assistance for the continued operation of small business
7/30/2008	912114	540522	\$ 600.00	To assist with payment for repairs for a vehicle
7/30/2008	912140	540547	\$ 500.00	To assist with tuition and fees
7/30/2008	912159	540565	\$ 502.30	Tickets for models for car show
7/31/2008	912814	540777	\$ 500.00	Assistance with divorce and other bills
8/1/2008	913576	541059	\$ 300.00	Assistance for band to buy equipment
8/22/2008	918416	542930	\$ 700.00	Financial Assistance for uniforms for basketball team
9/1/2008	921117	543902	\$ 4,500.00	Assistance for 45 student's parents who pass primary 5 \$100 each
9/3/2008	921954	544244	\$ 1,000.00	sponsoring a cocktail party
9/5/2008	922882	544581	\$ 500.00	To assist with purchasing an organ
9/12/2008	925170	545388	\$ 500.00	To assist with purchasing food for children
9/12/2008	925170	545390	\$ 350.00	Assistance with uniforms for basketball league
9/18/2008	926626	545929	\$ 200.00	To assist with purchase of school supplies

9/19/2008	927285	546153	\$ 1,232.70	To assist with repairs to home
9/26/2008	929542	546908	\$ 2,000.00	Concrete for his home
9/30/2008	930437	547348	\$ 1,500.00	To assist with school fees for children
10/1/2008	930582	547378	\$ 900.00	To assist with Catering and DJ for party
10/6/2008	932186	547897	\$ 1,000.00	Assistance with paying daycare fees
10/8/2008	932969	548331	\$ 500.00	Purchase of ticket
10/9/2008	933359	548469	\$ 609.00	Purchase laptop
10/10/2008	933792	548589	\$ 300.00	Purchase wardrobes for Talent extravaganza
10/10/2008	933792	548603	\$ 500.00	Assistance with bill for excavation works on a home
10/10/2008	933963	548570	\$ 690.00	Assistance for singing group
10/22/2008	936412	549410	\$ 1,036.00	Assistance with bank loan
10/22/2008	936856	549545	\$ 150.00	To assist with purchase of textbooks for son
10/22/2008	936857	549547	\$ 500.00	Assistance with purchase of home appliances
10/23/2008	937007	549646	\$ 2,000.00	Assistance in managing business
11/3/2008	9491	550966	\$ 500.00	Down payment on property
11/3/2008	940553	550968	\$ 500.00	To assist with purchasing a second hand vehicle
11/3/2008	940553	550970	\$ 500.00	Assistance with mortgage payment
11/4/2008	940787	551125	\$ 600.00	Assistance with tuition and living expenses
11/6/2008	942058	551508	\$ 802.80	Payment of bill for airline tickets
11/18/2008	946101	553102	\$ 400.00	Purchase of water for her home
11/18/2008	946166	553129	\$ 300.00	Purchase a pair of glasses
11/27/2008	949267	554493	\$ 3,800.00	Holiday Assistance to 19 individuals at \$200 each
11/27/2008	949684	554661	\$ 1,800.00	Holiday Assistance to 6 individuals at \$300 each
11/27/2008	949713	554674	\$ 6,000.00	Christmas Party Expenses
12/1/2008	950527	554985	\$ 750.00	To assist with paying utility bills
12/1/2008	950527	554988	\$ 500.00	To assist with paying bills
12/1/2008	950528	554992	\$ 800.00	Financial assistance towards repairs for her home
12/4/2008	952031	555716	\$ 355.00	To assist with paying of outstanding bills
12/18/2008	960122	559490	\$ 3,000.00	Assistance with retaining wall
7/15/2008	905981	537675	\$ 350.00	Travel expenses for spreading the gospel
7/15/2008	906626	537831	\$ 1,000.00	Assistance with paving a road
7/28/2008	910932	539888	\$ 500.00	To assist with child's day care fee
7/28/2008	910958	539917	\$ 400.00	Purchase a computer
10/6/2008	932186	547895	\$ 400.00	Assistance with electricity bills
10/23/2008	937581	549860	\$ 500.00	Purchase refrigerator
10/29/2008	939228	550517	\$ 500.00	To assist with mortgage payment
10/28/2008	938645	550193	\$ 500.00	To assist with repairs to home
8/21/2008	918118	542785	\$ 600.00	Hair show competition sponsorship
10/23/2008	937581	549861	\$ 1,036.00	To assist with bank mortgage payment
5/6/2008	883210	528970	\$ 1,000.00	Financial Assistance - Use of funds unknown

5/9/2008	884383	529449	\$ 4,500.00	Assistance with unforeseen construction cost of dwelling house.
5/20/2008	887001	530482	\$ 450.00	Assistance to prevent incarceration (child maintenance)
5/21/2008	887979	530900	\$ 1,000.00	Financial assistance needed to pay for rent due to financial hardship
5/21/2008	887979	530901	\$ 700.00	Financial assistance to acquire an apartment (have been forced to move from present residence)
7/11/2008	904935	537157	\$ 700.00	Assistance to refurbish and rebuild home
7/11/2008	904936	537159	\$ 700.00	Assistance with rent
7/28/2008	910952	539905	\$ 800.00	Assistance to travel to youth competition for church
7/30/2008	912119	540540	\$ 1,000.00	Assistance with caring for brother's children
7/30/2008	912146	540553	\$ 1,000.00	Assistance with legal problem
9/10/2008	924100	544987	\$ 3,000.00	Assistance to bring house mortgage up to date.
9/15/2008	925536	545547	\$ 500.00	To assist with child's school fees
9/15/2008	925536	545548	\$ 400.00	To assist with house rent
9/15/2008	925536	545550	\$ 2,000.00	To assist with house mortgage
10/10/2008	933792	548593	\$ 300.00	To assist with payment of bank loan
10/23/2008	937446	549804	\$ 500.00	To assist with house mortgage
10/30/2008	940348	550927	\$ 280.00	No letter from individual only letter from Representative
5/15/2008	885267	530019	\$ 2,668.00	Financial contribution to pay for
5/26/2008	889564	531561	\$ 500.00	Financial assistance
5/6/2008	883242	528989	\$ 500.00	Financial contribution towards medical expenses in Puerto Rico
5/14/2008	885393	529799	\$ 150.00	Financial assistance towards medical expenses
5/14/2008	885393	529801	\$ 200.00	Financial assistance towards medical expenses
5/30/2008	891844	532232	\$ 2,123.00	Financial assistance to help with medical expenses
6/9/2008	894316	533338	\$ 1,000.00	Financial assistance towards medical expenses
6/25/2008	899632	535288	\$ 1,000.00	Financial assistance towards medical expenses for her son
6/27/2008	900779	535639	\$ 500.00	Financial assistance to to enroll her son in the educational system
12/12/2008	956467	557796	\$ 1,000.00	Financial Assistance for daughter who has
1/24/2008	853565	517075	\$ 490.00	To assist with purchasing eye glasses

Table 4: Request for Assistance from Application form for 2007 with descriptions

The amounts stated in the following table represents amounts requested on application forms by applicants. They do not reflect actual amounts awarded. However, the descriptions do portray an actual account of the requests made.

Type	Description	Amount Requested
Educational	To purchase a new Saxophone so I can continue active member of the [REDACTED] Band.	\$3,000.00
Educational	Apple Macbook computer to assist with my studies.	\$3,000.00
Educational	The funds being requested are to aid my son, presently attending [REDACTED]	\$2,000.50
Educational	Seeking financial assistance to aid in reducing accumulated student loans.	\$2,000.00
Educational	Applying for assistance to purchase a computer which will be beneficial in preparing for my college classes and completing assignments	\$1,309.00
Educational	Assistance with school fees for St. Georges School	\$1,200.00
Educational	To purchase a laptop for educational use.	\$1,200.00
Educational	Returning to school and need assistance with all expenses being incurred such as, rent, books, utilities, transportation to and from school.	\$1,000.00
Educational	Assistance to attend the Phi Theta, Kappa International convention in Philadelphia, PA from April 1-6, 200[REDACTED]	\$1,000.00
Educational	My income is not enough to pay my tuition fees, therefore need assistance to further my education	\$800.00
Educational	Need assistance to pay son school fees.	\$600.00
Educational	To assist in the cost of books, food, transportation and other living expenses while attending Rhode Island College.	\$500.00
Educational	To pay school fee (Seventh Day Adventist School)	\$500.00
Educational	To purchase of textbooks.	\$400.00
Educational	Awarded two years scholarship as part of my prize which I never received.	\$320.00

Educational	To cover books expenses.	\$244.00
Financial Hardship	I am seeking assistance with deposit for first months rent, a fridge and stove.	\$1,000.00
Financial Hardship	Cost of living, bills and rent is very high; being a single mother [REDACTED] hard.	Any amount
Financial Hardship	Financial difficulties due to a legal matter.	\$7,500.00
Financial Hardship	To assist with legal fees	\$5,400.00
Financial Hardship	Not working for four years, unable to pay child support, bank loan, rent and other expenses.	\$5,000.00
Financial Hardship	Financial Assistance to pay bank loan for house.	\$5,000.00
Financial Hardship	Assistance needed with construction of home and other financial obligations.	\$4,500.00
Financial Hardship	Assistance to purchase parts for a boat to enter the fishing industry.	\$4,060.60
Financial Hardship	Due to medical illness and delinquent bank payments	\$4,000.00
Financial Hardship	Assistance needed with loan payments which are behind.	\$3,000.00
Financial Hardship	Financially behind with my children, food, day care, fees, mortgage etc. and have some late fees pending at Scotia Bank.	\$3,000.00
Financial Hardship	Due to late receipt of monies due for work completed, fallen behind with unforeseen bills.	\$3,000.00
Financial Hardship	Financial circumstances much greater than salary and consolidated bills due to a problem on the job I am on half salary.	\$2,500.00
Financial Hardship	To purchase household appliances for a new apartment.	\$2,185.00
Financial Hardship	Unemployed have a bank loan that I have not finished paying, been in an accident and responsible for paying the damage, requesting help to fix the matters	\$2,000.00
Financial Hardship	Cost of bills accumulated over the past few months due to high living expenses.	\$2,000.00
Financial Hardship	I am seeking help to pay 5 months rent of \$400.00. I need the money to buy my daughter's medication as [REDACTED] That money will also help me to pay other bills in my house-hold.	\$2,000.00
Financial Hardship	Unable to meet daily living expenses.	\$2,000.00

Financial Hardship	To help me to pay my plan to achieve my own home for me and my kids.	\$2,000.00
Financial Hardship	To repay personal loan to someone who loaned me of their own earnings	\$1,700.00
Financial Hardship	To assist with looking for an apartment	\$1,600.00
Financial Hardship	To purchase school clothes and food for children	\$1,500.00
Financial Hardship	Due to unexpected expenses I am behind with some bills. To replace concrete blocks which were blown down by the wind.	\$1,500.00
Financial Hardship	I am not working. Assistance needed to buy food for kids and pay my rent.	\$1,500.00
Financial Hardship	Assistance with student loan as discussed in our conversation of January 10th, 2008.	\$1,500.00
Financial Hardship	To assist with paying house rent arrears for June & July 2007.	\$1,500.00
Financial Hardship	Unable to pay rent and monthly allowance to my sons' care-taker for the month of June.	\$1,300.00
Financial Hardship	Assistance needed to purchase material to construct a cistern.	\$1,300.00
Financial Hardship	To assist in paying rent for the month of May.	\$1,300.00
Financial Hardship	Assistance needed to pay bank arrears for car loan.	\$1,000.00
Financial Hardship	Financial problem because of slow season, need to get a bill paid	\$1,000.00
Financial Hardship	Unable to pay rent and behind with rent. Letter was sent to be aware of eviction if not paid by specified date.	\$1,000.00
Financial Hardship	To help pay outstanding mortgage.	\$1,000.00
Financial Hardship	Fore-closure on my property	\$1,000.00
Financial Hardship	Help with mortgage which is in arrears.	\$1,000.00
Financial Hardship	Children father not working, my mother who use to help me is retiring the end of this year 2007.	\$1,000.00
Financial Hardship	Further assistance in covering the licensing fees and other miscellaneous items.	\$700.00
Financial Hardship	Assistance to help with the water bill	\$666.79
Financial Hardship	Rental Problem (Financial)	\$600.00
Financial Hardship	Assistance to pay my bill, rent, current, water, etc.	\$600.00
Financial Hardship	Assistance for development on my land/property.	\$600.00

Financial Hardship	Help in purchasing a second hand vehicle.	\$500.00
Financial Hardship	Assistance with the down payment on a piece of property.	\$500.00
Financial Hardship	Assist with mortgage payment	\$500.00
Financial Hardship	Financial Assistance to pay bills and other responsibilities	\$500.00
Financial Hardship	To help with the purchase of a transmission.	\$500.00
Financial Hardship	I am asking for this assistance because the money I am making is not enough for my expenses.	\$389.00
Financial Hardship	I am disabled living off my rental income which only pays my bill and buy food.	\$250.00
Financial Hardship	Assistance for school bus fee for students	\$150.00
Financial Hardship	Unemployed and having difficulties to pay my bills and buying food for my family.	\$150.00
Financial Hardship/Educational	To facilitate computer classes for my daughter	\$399.00
Financial Hardship	Trip to Grenada to spread the gospel.	\$600.00
Financial Hardship	To purchase a ticket so that my son can be able to spend his summer vacation with me.	\$450.00
Medical	I am desperate need of my glasses.	\$600.00
Medical	I am disabled [REDACTED]	\$200.00
Medical	Trying to get my teeth fix so that I can find a suitable job to help take care of me and my child.	
Financial Assistance	Assist with the construction of a retaining wall.	\$23,000.00
Other	Needs assistance with teenage son's legal fees.	\$10,000.00
Other	To complete fishing project.	\$5,000.00
Other	To purchase a living room set and bedroom set due to water damage.	\$2,000.00
Other	To get access to my piece of land #3 (see map)	\$1,500.00
Other	Water was used for a Community Project, and as a result a huge water bill was incurred.	\$1,500.00
Other	Assistance to help defray the expenses associated with band participation in festival activities 2008.	\$1,500.00
Other	Payment for catering service and DJ for softball team party.	\$900.00
Other	To purchase equipment to help with the irrigation of my grounds so that I can produce better products out of my garden.	\$825.00

Other	Currently need to install a security system for my safety and need some financial assistance.	\$600.00
Other	To assist with preparation for the BVI Top Model Show.	\$500.00
Other	To help with the construction of her own home.	
Other	Moving into my own apartment.	

The following letters and application forms were taken from the documents reviewed over the Audit period.

Appendix 3

The following letters and application forms were taken from the documents reviewed over the Audit period.

To: Honorable [REDACTED]

I [REDACTED]

Came to you for help you did not call me back I felt so bad... you make me feel like... I am asking for much money I need it badly. I put my X... I did not think twice I did it with a broken heart because I know you very long Sir I felt very bad - I am very-very sorry God loves a cheerful giver.

Thank you
Very much

[REDACTED] - [REDACTED]
[REDACTED]
Help Help me please - I will not ask you again.

Thank you I felt badly asking.
Sorry and sorry



Legislative Council of the Virgin Islands Request for Assistance Application Form

Last Name: [redacted] First Name: [redacted] Middle Initial: [redacted]
Address: [redacted] Contact No: [redacted]

Status: BVIlander/Belonger Non-Belonger Resident Other

Age: under 25 25 - 35 36 - 45 46 - 55 56 - 65 65+ Marital Status: _____

Place of Employment: None Occupation: None

Annual Income: under \$15,000 \$15,000 - 30,000 \$30,001 - \$50,000 +\$50,000

Type of request: medical educational financial Hardship funeral grant other

Member from whom assistance is being sought: [redacted]

Amount being requested: \$1000.00

Reason for request (if space provided is insufficient please complete details on a separate page and attach to application form):

First of all I don't have medical Insurance so my medical bills I have to pay in full. Monthly bills and child to support. All I saying straight up is I put in for you & you know that too, just give me something to help myself other than looking to do crime.

Please attach supporting documentary evidence.

- Medical: Doctor's certificate of illness is to be provided within 60 days of application.
- Educational: The full reasons for the application and the amount.
- Financial Hardship: Proof of inability to cover expenses (e.g. past due bills, eviction notice etc.)
- Taxi service for school: Signed agreement between Member and driver showing rates and times of service

Have you received assistance from a representative, or from Social Development or any other public institution within the last 12 months? Yes No

If yes, please complete the following:

Date(s)	From Whom	Amount(s)	Reason for Assistance
<i>March</i>	[redacted]	<i>\$700.00</i>	<i>Bills, medical</i>

UNDERTAKING TO ACCOUNT FOR THE USE OF AMOUNT OF ASSISTANCE

The applicant hereby undertakes to give his/her District/Territorial Representative a written account with documentary proof of the use of any amount granted on this application, within six months of receiving the amount or before making another application for assistance, whichever is earlier, to be lodged with the Clerk of the Legislative Council without delay.

[REDACTED]
P.O. Box [REDACTED]
Road Town, Tortola
British Virgin Islands

4th March 2008

House of Assemble
Richard Stoutt's Building
P.O. Box 2390
Road Town, Tortola
VG1110

Dear Members and Friends,

I greet you in the wonderful name of our Lord and Savior Jesus Christ. I [REDACTED]
[REDACTED], known as th [REDACTED] k your humble
indulgence.

For over forty (40) years all that I have received from this organization are promises
which have yet to come to fruition. I have been [REDACTED] for a period of years and I am
unable to work as I would like to, thus I have been struggling with a financial burden.

Presently I am undergoing economic hardship, I have depleted all of my assets and have
no where else to turn. I am now forced to ask for financial help which would enable me
to buy my medication, food and pay some long overdue bills.

Any assistance form the party would be greatly appreciated.

Thanks in advance for the anticipated response.

Sincerely,
[REDACTED]

7th May, 2008

[REDACTED]
[REDACTED]
Road Town
Tortola, B.V.I.

Dear [REDACTED]

Greetings to you in the most wonderful name of our lord, and Saviour Jesus Christ our soon coming king, from beyond distance of speech and sight, hope that this arrival of my loving letter will meet you and your family in the best of good health, and strength, and sheltering under the good roof of God.

[REDACTED]. I am asking of you to please grant me a favour by assisting me with an outstanding bill that I had to paid to the Alternative Secondary Programme which I attend Four (4) days a week to achieve my Secondary School Evening Certificate, the amount on the bill is Five hundred dollars, I do hope that you will assist me. Thanks to you in advance. Here is a copy of the bill attached. All the best. Take Care and May God continue to bless you, your family, staff, and the entire Minister's of Government. Thank you again.

Your's respectfully

[REDACTED]
[REDACTED]

12 March, 2008

[REDACTED]
c/o House of Assembly
Road Town, Tortola
British Virgin Islands VG1110

Dear Sir:

We previously spoke.

While serving as Chaperone to contestant [REDACTED] for a pageant on Virgin Gorda certain expenses were incurred up to \$1,400.00 at [REDACTED]. There was difficulty finding sponsors, and so seeking the assistance of members to clear this expense was the final resort.

Grateful if you could approve \$300.00 towards the payment of this debt. Check should be made out to [REDACTED]. I will collect the said check to make payment, so that I may receive the appropriate receipt from [REDACTED]. Thank you for your kind assistance.

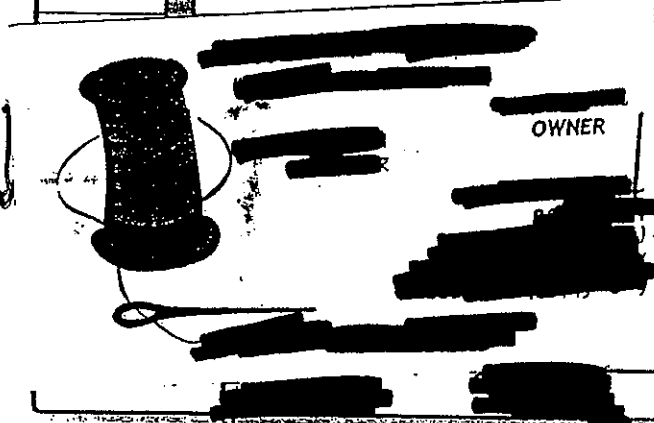
Yours sincerely,

[REDACTED]
[REDACTED]
[REDACTED]
Chaperone for contestant [REDACTED]

CUSTOMER'S ORDER NO.	DEPT. <i>Sewing</i>	DATE <i>26/2/08</i>
NAME: [REDACTED]		
ADDRESS: [REDACTED]		
CITY, STATE, ZIP		

SOLD	CASH	C.O.D.	CHARGE	ON ACCT.	MOSE RTD.	PAID OUT
------	------	--------	--------	----------	-----------	----------

QUANTITY	DESCRIPTION	PRICE	AMOUNT
①	Dress	19.00	00
③	3p lingerie	20.00	00
<i>PAID</i>			



KEEP THIS COPY FOR YOUR RECORDS
 ©1998 REDIFORM® 5L320

[REDACTED]
[REDACTED]
British Virgin Islands
[REDACTED]

June 10, 2008

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
Road Town, Tortola, B.V.I.

Dear [REDACTED]

As a young aspiring entrepreneur, I am in the process of getting my fishing business off the ground. I have been saving and have already done some of the leg work required to get the necessary equipment. However, I am writing you as my representative to seek your financial assistance in purchasing a vessel. An amount of \$3000.00 is needed, so that I can continue in this effort to earn an honest living and be able to support my family.

I thank you for your consideration in this matter.

Sincerely yours,
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
British Virgin Islands
[REDACTED]

May 16, 2008

[REDACTED]
[REDACTED]
Road Town, Tortola, B.V.I.

Dear [REDACTED]

As a young person in this community, I am writing requesting financial assistance in the purchasing of a boat to enter the fishing industry, as well as for other uses. The total cost of the boat and parts is \$4060.60. I humbly request any assistance you can render in this initiative that I am undertaking to help supplement my income which is dearly needed.

I thank you for your consideration in this matter.

Sincerely yours,
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
British Virgin Islands
[REDACTED]

[REDACTED]
[REDACTED]
Road Town, Tortola, B.V.I.

March 7, 2008

Dear Mr. [REDACTED]

I wish to thank you for the assistance with the fishing vessel you were so able to help me with earlier this year. I am still urgently trying to get my fishing business up and running and I do need further assistance in covering the licensing fees and other miscellaneous items. An amount of \$700.00 should go a long in helping me to defray these additional costs.

I thank you for your consideration in this matter.

Sincerely yours,

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
British Virgin Islands
[REDACTED]

[REDACTED]
Road Town, Tortola, B.V.I.

February 5, 2008

Dear [REDACTED]

I am in the process of getting my fishing business off the ground and have been given an opportunity to purchase a fishing vessel from the H.L. Stout Community College. I am writing you as my representative to seek your financial assistance in purchasing this vessel. An amount of \$5000.00 is needed, so that I can continue to do something more meaningful with my life to earn an honest living and be able to support my family.

I thank you for your consideration in this matter.

Sincerely yours,
[REDACTED]

[REDACTED]
[REDACTED]
British Virgin Islands
Tel: [REDACTED]

May 16, 2008

[REDACTED]
Road Town, Tortola, B.V.I.

Dear [REDACTED]

Currently, I am on half salary and still have to remain current with my monthly obligations. As a result I am in urgent need of financial assistance. Anything that you can do to assist me in this matter would be greatly appreciated.

I thank you for your consideration in this matter.

Sincerely yours,
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]
Manager
[REDACTED]
[REDACTED]

Virgin Islands

May 9, 2008

[REDACTED]
[REDACTED]
Richard C. Stoutt Building
Road Town, Tortola,
Virgin Islands

Dear [REDACTED]

I have written to you previously about assisting with the uniforms for our basketball teams. And I am very grateful for the assistance given thus far. However, there is still an outstanding bill of \$3800.00 which would include the uniforms for an additional team
[REDACTED]

I humbly ask you for your cooperation in this matter so that we can be up and ready for the upcoming league which is scheduled to begin very soon. Please make your cheque payable to [REDACTED] so that the company with whom we are working can be paid.

Thank you in advance for doing your part to help our young males to participate in a positive social initiative that teaches self discipline, respect and most of all the need to work as a team.

Sincerely Yours,
[REDACTED]
[REDACTED]

House Of Assembly Of the Virgin Islands
Road Town,
Tortola,
BVI

30th August, 2007

Dear Sirs/Madams,

I wish to apply for assistance to purchase school supplies for my three children.

I am requesting \$500.00

Yours truly,

[REDACTED]

Hon. [REDACTED]

Sir I hereby Sell
your financial assistance in the context
on the balance of payment on a parcel
of land.

[REDACTED]

12-2-07

Road Town
26/11/08

Dear Honourable [REDACTED]

I am please asking you for your assistance to help me with some accumulated bills.

Your Faithfully
[REDACTED] [REDACTED]

\$500.00
Approved

[REDACTED]

26th Nov. 2008

JO Hop. [REDACTED]

This is to verify that I
lost my US Travel document, in ST:
Harris, sometime in December 2008.

I order to obtain replacement
I had to incur the jobless expense
\$500.00

[REDACTED]

20-12-08

Dear, Hon [REDACTED],

I, [REDACTED] is hereby asking for your assistance in order for me to go through the naturalization process.

I am a full time college student, and my financial status is not to the level where I can afford to pay for the stamps that is required for the naturalization form.

[REDACTED]

-22-June-07.

[REDACTED]
[REDACTED]
British Virgin Islands

May 15, 2007

[REDACTED]
Road Town, Tortola, British Virgin Islands

Dear Sir,

Re: Request for Financial Assistance

I hereby request your assistance in the sum of \$2,500 in helping to meet financial obligation.

I thank you in anticipation of your prompt and considerate attention in this matter.

Yours faithfully

[REDACTED]

[REDACTED]

April 25 2008

[REDACTED]

RECEIVED

MAY 08 2008

[REDACTED]

Members of the House of Assembly

Subject : Assistant Grant due to financial hardship

Dear Honourables

I am currently constructing my dwelling home and I am experiencing financial difficulty due to the enormous construction cost in material and labour in the constructing of my home, two retaining walls,

and the paving of the drive way. As a result I have requested of the Government for assistance in the financing of the paving of the driveway and the two retaining walls, one of which they have already assisted financially by paying TCP for the concrete. I am anticipating a favourable response for the next retaining wall but have not received one as yet. Meanwhile the labour cost for the two retaining walls and other construction matters continues to be a challenge for me financially. I hate to reach to this point but as a small entrepreneur and a father of 4 four children, I am now overwhelmed by my regular monthly financial obligations in addition to being overwhelmed by the many un-budgeted and unforeseen circumstances as related to the construction of my dwelling home and the related outrageous construction labour cost. As a result I am requesting financial assistance in the amount of \$30,000.00 to assist in covering many unforeseen expenses that I have to pay in labour and other unforeseen construction cost in addition to other current financial obligations that I am currently facing to pay. Any assistance that you can urgently give in this matter will be greatly appreciated. Please feel free to discuss the most prudent way forward with each other in the manner of how collectively you can assist financially a struggling but ambitious BVislander who is experiencing financial hardship due to trying to construct a proper dwelling home to house my family. Thank you in advance for whatever assistance you can give in this matter.

YOURS TRULY,

A large black rectangular redaction box covers the signature area of the letter.

[REDACTED]
[REDACTED]
BRITISH VIRGIN ISLANDS
[REDACTED]

[REDACTED]
Tortola,
B.V.I.

May 13th, 2008

Dear [REDACTED]

I am writing requesting financial assistance for the bill attached for Water & Sewage. The bill is in dispute but they are still threatening to disconnect my service although the matter has not been concluded. Any contribution you can make to this urgent matter will be deeply appreciated.

Yours respectfully,

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
British Virgin Islands
[REDACTED]

February 7, 2008

[REDACTED]
Government of the Virgin Islands
Road Town, Tortola, BVI

BILL:

Cleaning of ghut located along [REDACTED]

Amount Due: \$300.00

[REDACTED] - INVOICE

**Road Town
Tortola**

[REDACTED]

**Invoice No: 100
Date: 2008-01-21**

To: Honourable, [REDACTED]

Fees:

**Work performed at [REDACTED]
(Government property)
Used backhoe for two days removing
Trashes and debris**

\$800.00

Total \$800.00

[REDACTED]



HOUSE OF ASSEMBLY OF THE VIRGIN ISLANDS

OFFICE OF THE CLERK

Ref: LEG/OD/04

MEMORANDUM

FROM: CLERK, HOUSE OF ASSEMBLY

TO: DIRECTOR OF INTERNAL AUDIT

DATE: 8TH SEPTEMBER 2009

SUBJECT: ASSISTANCE GRANTS PROGRAMME 2006 - 2008

I write in reference to your memorandum of 31 July, 2009 and 26 August, 2009 respectively on the above captioned subject.

I have however, attached proposed recommendations and will be guided by same.

[REDACTED] ans

[REDACTED] Assembly

PE/mb

Richard C. Stout Building • P.O. Box 2390 • Road Town • Tortola • British Virgin Islands VG1110

Tel: (284) 494-4757/8 [REDACTED] • Fax: (284) 494-4544

Email [REDACTED]

8.0 RECOMMENDATIONS

The following recommendations are to be implemented for the long term:

- 8.1. It is recommended that consideration be given to transfer the funding from this subhead to agencies that have already established similar programmes, such as Social Development (Hardship) and the Ministry of Education (Educational assistance), that can give the needed transparency and consistency needed to administer these funds.

Agree/Disagree	
Corrective action planned	CLEARLY DEFINED GUIDELINES THAT WOULD ALLOW FOR TRANSPARENCY AND CONSISTENCY IN THE ADMINISTERING OF FUNDS MUST BE DEVELOPED AND IMPLEMENTED. ALSO THE ABOVE MUST BE DONE ALLOWING MONITORING TO BE DONE CONSISTANTLY AND TRANSPARENTLY.
Anticipated completion date	TEN MONTHS
Names(s) of contact person(s) responsible for corrective action	CLERK OF THE HOUSE OF ASSEMBLY

- 8.2. It is recommended that an appropriate budget be prepared for the programme with the view of returning it to its original purpose of providing assistance to finance minor district projects.

Agree/Disagree	DISAGREE
Corrective action planned	SEE 8.1
Anticipated completion date	TEN MONTHS
Names(s) of contact person(s) responsible for corrective action	CLERK OF THE HOUSE OF ASSEMBLY

In the interim (short term), the following recommendations should be implemented in order to bring structure to current programme:

- 8.3. It is recommended that the present guidelines be revised by an independent body to eliminate any inconsistencies which may exist. It is further recommended that such guidelines be formally adopted by Cabinet to better regulate the use of this subhead in the long term.

Agree/Disagree	AGREE
Corrective action planned	DISCUSSED IN AN INFORMAL MEETING OF THE HOUSE OF ASSEMBLY TO GET RECOMMENDATIONS ON THE PRUDENT WAY FORWARD IN SELECTING AN INDEPENDENT BODY TO DO SUCH.
Anticipated completion date	FOUR MONTHS
Names(s) of contact person(s) responsible for corrective action	CLERK OF THE HOUSE OF ASSEMBLY

- 8.4. It is recommended that limits be put in place as to the amount any individual or any corporate or charitable body may be awarded from this subhead.

Agree/Disagree	DISAGREE
Corrective action planned	SEE 8.1
Anticipated completion date	TEN MONTHS
Names(s) of contact person(s) responsible for corrective action	CLERK OF THE HOUSE OF ASSEMBLY

- 8.5. It is recommended that documentation standards and requirements be put in place by the Accounting Officer and that the Accounting Officer refuse authorization of any approved submission by Members that does not meet the established standards.

Agree/Disagree	AGREED
Corrective action planned	SEE 8.1
Anticipated completion date	TEN MONTHS
Names(s) of contact person(s) responsible for corrective action	CLERK OF THE HOUSE OF ASSEMBLY

- 8.6. It is recommended that the provision for the applicant to produce evidence of use of award be strictly enforced and that no other award is given until the requirement is fulfilled to the Clerk's satisfaction.

Agree/Disagree	AGREED
Corrective action planned	SEE 8.1
Anticipated completion date	TEN MONTHS
Names(s) of contact person(s) responsible for corrective action	CLERK OF THE HOUSE OF ASSEMBLY

- 8.7. It is recommended that a verification system be put in place to verify the information provided by applicant on the application form.

Agree/Disagree	AGREED
Corrective action planned	SEE 8.1
Anticipated completion date	TEN MONTHS
Names(s) of contact person(s) responsible for corrective action	CLERK OF THE HOUSE OF ASSEMBLY

- 8.8. It is recommended that the Members be required to provide to the Clerk, the names of persons and companies that would fall under guidance 1 and 2 of the guidelines.

Agree/Disagree	
Corrective action planned	THIS CAN ONLY BE DETERMINED UPON COMPLETION OF THE REVIEW OF ALL THE GUIDELINES.
Anticipated completion date	TEN MONTHS
Names(s) of contact person(s) responsible for corrective action	CLERK OF THE HOUSE OF ASSEMBLY

- 8.9. In cases where awards are made to settle outstanding amounts owed to vendors (bills) or individual, cheques should be made payable to the person(s) or vendor(s) to whom the monies are owed and not to the applicant requesting the assistance.

Agree/Disagree	
Corrective action planned	THIS CAN BE DONE ON A CASE BY CASE BASIS, BASED ON THE CIRCUMSTANCES INVOLVED AND THE COMPLETION OF 8.1.
Anticipated completion date	TEN MONTHS
Names(s) of contact person(s) responsible for corrective action	CLERK OF THE HOUSE OF ASSEMBLY

- 8.10. All requests for assistance due to financial hardship should be accompanied by documented evidence, such as past due bills, invoices, letter from person or institution owed. Letters from applicant should not be used as the sole basis on which requests are granted.

Agree/Disagree	
Corrective action planned	SEE 8.9
Anticipated completion date	TEN MONTHS
Names(s) of contact person(s) responsible for corrective action	CLERK OF THE HOUSE OF ASSEMBLY

Internal Audit Unit

Ashley Ritter Building
Wickham's Cay 1
Road Town, Tortola, BVI

MEMORANDUM

Ref.: IAU/FAR1/10
To: The Clerk, House of Assembly
From: Director of Internal Audit
Date: March 30, 2011
Re: Draft Follow-up Audit Report – Assistance Grant Programme

The Draft Follow-up Audit Report on the Assistance Grant Programme is attached for your review and subsequent comments.

Please note that it is the responsibility of the Head of the Department to acknowledge the follow-up audit findings and to take note of any further recommendations provided. Furthermore, we are requesting that you submit your response by *April 12, 2011*. If no response is received by the given date we would render the follow-up report final, and that you have fully concurred with its contents.

Should you have any questions or concerns, please feel free to contact me at extension [REDACTED]

Regards
[REDACTED]

[REDACTED]
ell M. Gaskin, CFE
y Financial Secretary
Director of Internal Audit

Enclosure

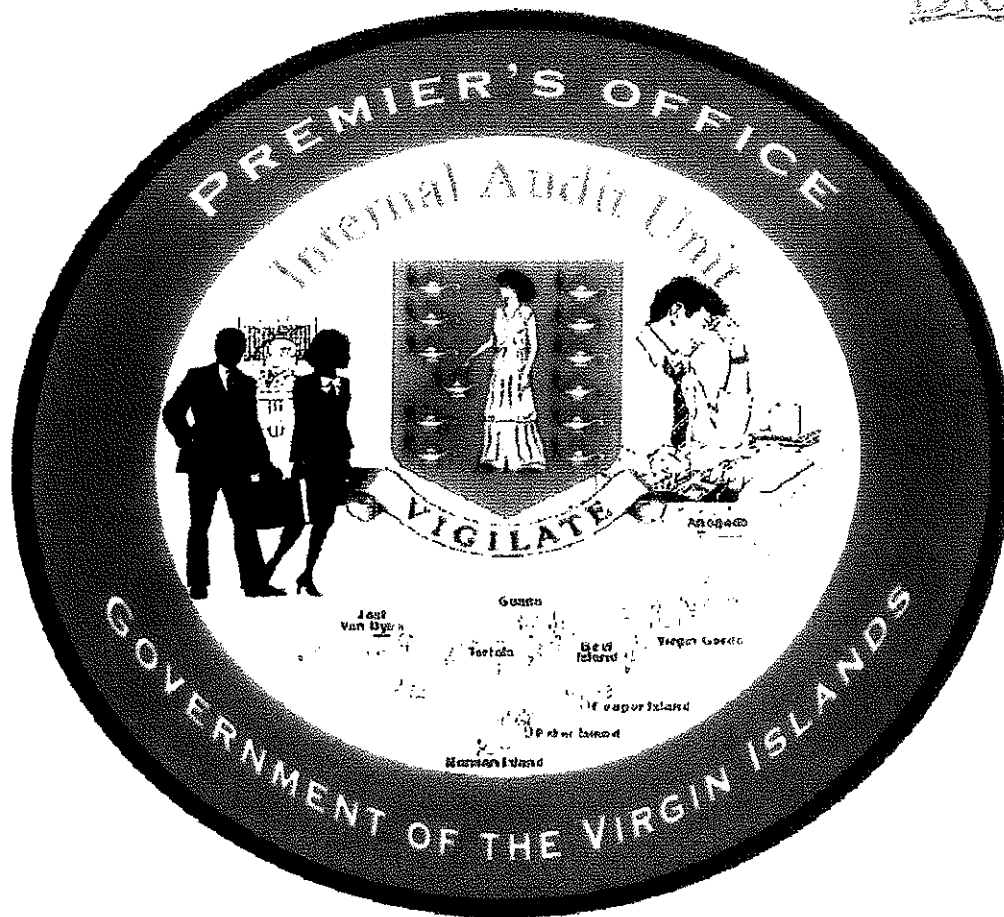
WMG/mhs

Phone: (284) 468-370 [REDACTED] Fax: (284) 468-2558

"Our Management Specialist"

INTERNAL AUDIT UNIT

DRAGEN



FOLLOW-UP AUDIT REVIEW

Assistance Grant Programme
2006- 2008

March 2011

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INTRODUCTION

The Internal Audit Unit has completed a follow-up review of the House of Assembly – Assistance Grants Programme resulting from an audit conducted in March 2009. The objectives of the follow up review were:

1. To determine whether management has taken corrective action or implemented the recommendations.
2. To determine whether the desired results were achieved or if management has assumed the risk of not taking action or implementing the recommendations.

The Internal Audit Report (the Report) of March 2009 highlighted some deficiencies that required corrective actions. These deficiencies relate to the manner in which the programme is administered, the purpose for which funds are being disbursed and the lack of adequate guidelines.

In performing our follow-up engagement, meetings were held separately with the Clerk (the Accounting Officer) and the Deputy Clerk of the House of Assembly and other members of staff. The Clerk noted that attempts were made to address the weaknesses discovered in the current guidelines; however, this was not accomplished due to the lack of cooperation from some members of the Assembly. It is imperative also to note that the Clerk in her Management Response to the Report, stressed on the importance of adopting clearly defined guidelines that would allow for transparency and consistency in administering the Programme with an anticipated completion of ten (10) months after the issuance of the Report (March 2010).

Ten (10) recommendations were provided in the Report, unfortunately none were implemented.

RECOMMENDATION 1: NOT IMPLEMENTED

It is recommended that consideration be given to transfer the funding from this subhead to agencies that have already established similar programmes, such as Social Development (Hardship) and the Ministry of Education (Educational assistance), that can give the needed transparency and consistency needed to administer these funds.

RECOMMENDATION 2: NOT IMPLEMENTED

It is recommended that an appropriate budget be prepared for the programme with the view of returning it to its original purpose of providing assistance to finance minor district projects.

RECOMMENDATION 3: NOT IMPLEMENTED

It is recommended that the present guidelines be revised by an independent body to eliminate any inconsistencies which may exist. It is further recommended that such guidelines be formally adopted by Cabinet to better regulate the use of this subhead in the long term.

RECOMMENDATION 4: NOT IMPLEMENTED

It is recommended that limits be put in place as to the amount any individual or any corporate or charitable body may be awarded from this subhead.

RECOMMENDATION 5: NOT IMPLEMENTED

It is recommended that documentation standards and requirements be put in place by the Accounting Officer and that the Accounting Officer refuse authorization of any approved submission by Members that does not meet the established standards.

RECOMMENDATION 6: NOT IMPLEMENTED

It is recommended that the provision for the applicant to produce evidence of use of award be strictly enforced and that no other award is given until the requirement is fulfilled to the Clerk's satisfaction.

RECOMMENDATION 7: NOT IMPLEMENTED

It is recommended that a verification system be put in place to verify the information provided by applicant on the application form.

RECOMMENDATION 8: NOT IMPLEMENTED

It is recommended that the Members be required to provide to the Clerk, the names of persons and companies that would fall under guidance 1 and 2 of the guidelines.

RECOMMENDATION 9: NOT IMPLEMENTED

In cases where awards are made to settle outstanding amounts owed to vendors (bills) or individual, cheques should be made payable to the person(s) or vendor(s) to whom the monies are owed and not to the applicant requesting the assistance.

RECOMMENDATION 10: NOT IMPLEMENTED

All requests for assistance due to financial hardship should be accompanied by documented evidence, such as past due bills, invoices, letter from person or institution owed. Letters from applicant should not be used as the sole basis on which requests are granted.

FOLLOW UP PROCEDURES

As a result of not implementing the recommendations provided in the report and not taking any other corrective action to address the issues identified, follow up procedures were conducted to reassess the risk and impact of not taking action. The results of these procedures are as follows:

1. The review found that there were no changes to the current guidelines, to Assistance Grants usage and to the manner in which the Programme is administered.
 - a. Financial (Hardship), Educational, Medical Assistances continue to be the main categories of disbursements made from the 'Assistance Grant' subhead. These disbursements are still being made in a manner

inconsistent with the original intent of the subhead which is to finance minor district projects. *Refer to Appendix I for a sample distribution of funds among categories for 2009 and 2010 combined.*

- b. There were numerous instances where assistance was provided to individuals to pay their living expenses and debts, such as house rent, utility bills, mortgage, car loan, court fines and child maintenance. *Refer to Appendix II for a sample of disbursements made for 2009 and 2010.*
- c. Most importantly, there were no changes made to the control environment for which the 'Assistance Grant' Programme is being administered. The Programme still operates from weak controls, minimal enforcement of requirements and inadequate oversight. Such an environment increases the likelihood of impropriety.

FOLLOW UP RECOMMENDATION

1. **It is highly recommended that the recommendations provided in the original report be implemented expeditiously.**
2. It is recommended that the advice of the Attorney General be sought in relation to the perceived conflict that exist where the Accounting Officer may not have authority over the 'Assistance Grants' subhead as outlined in the description in the Budget Estimates.
3. It is recommended that the Clerk (Accounting Officer) become formalize and guided by the following clauses of the Public Finance Management Act 2004 and the Public Finance Management Regulations 2005 as amended:
 - a. Public Finance Management Act 2004: Part III- 'Control and Management of Public Finance' **Section 21 (1), (2)(a) and (2)(b) and 3.**
 - b. Public Finance Management Regulation 2005 as amended: Part II- 'Accounting Officers' **Section (5)(a)-(g); Section (6)(1) and (6)(2); Section (8)(1).** Part III- 'Accounts' **Section 9(1) and (9)(2); Section (10)(1), (10)(2), and (10)(3).** Part IX- 'Payments' **Section 72(1) and 72(2) (a)-(d); Section 73 (a) and (b) ; and Section (74)(a)-(f).**

CONCLUSION

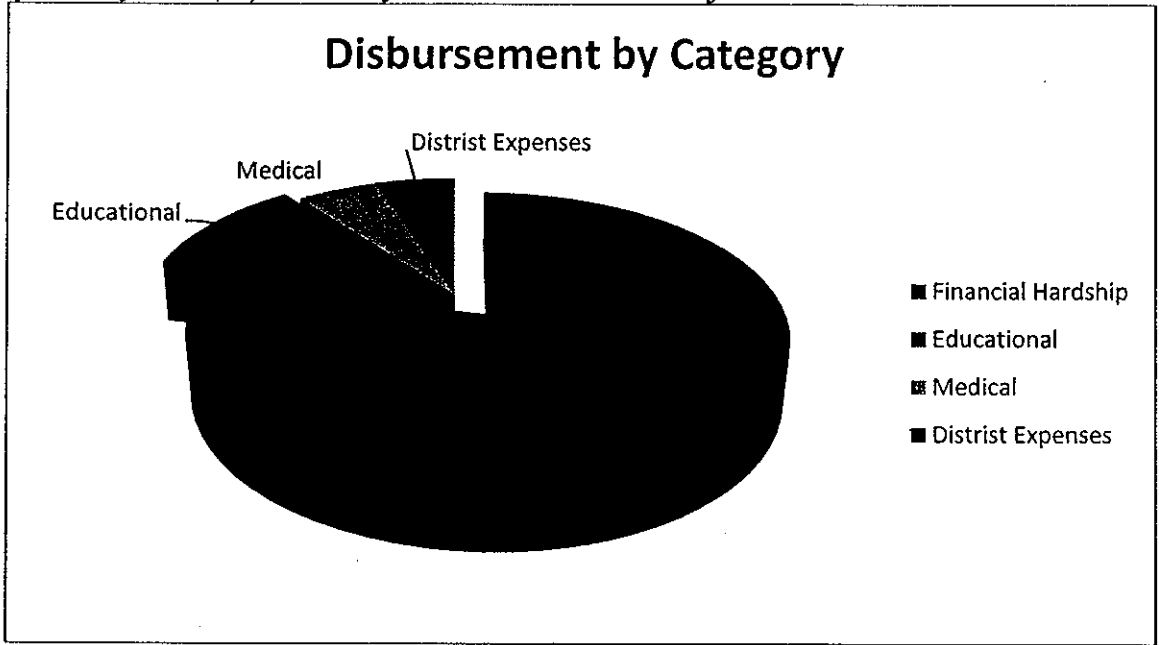
As articulated in the report, the funds disbursed from the Assistance Grants Programme as public funds must maintain the same level of documentary evidence as any other expenditure and must be accounted for in a like manner with the same level of accountability and transparency in compliance with the Public Finance Management laws.

With this in mind and one year after the anticipated date of completion, it must be noted that The 'House of Assembly' has not made significant effort to implement any of the recommendations and has not taken any corrective actions to address the issues raised in the report. Although management has provided some explanations for not implementing the recommendations relating to the Assistance Grants Programme, it is essential that every effort is made to correct the vulnerabilities and the deficiencies identified in the report. Management cannot remain non-responsive and must assume the responsibility for any risk event resulting from the existence of ineffective systems and controls.

The recommendations provided, in our opinion were designed to address the most significant weaknesses in the control environment and when implemented would help in improving the administration of the Programme. The 'House of Assembly' is therefore encouraged to implement the recommendations of the report and the follow-up recommendations where possible.

APPENDIX I

The following chart depicts the distribution of funds among categories from a sample of seventy nine (79) randomly selected disbursements from 2009 and 2010:



APPENDEX II

Sample of disbursements made for 2009 and 2010

Type	Description	Amount Requested	Amount Approved
Financial	Financial assistance due to economic hardship- towards loan repayment	\$4,000.00	\$3,000.00
District Expense	Cleaning and cutting of grass, grooming and cutting trees around basketball court,	\$8,700.00	\$8,700.00

	band stand and play area, cleaning of all planters in the band stand and play area		
Educational	Financial contribution to tuition expenses	Any amount	\$5,000.00
Financial	Financing musical career	\$989.97	\$1,000.00
Financial	Presently own a house and the house needs major repairs. The cistern leaks along with other major problems. The house is not rented because of the repairs needed. As a result the loan is in arrears and the bank is about to foreclose.	Any amount	\$2,000.00
Financial	Financial assistance to financial hardship- To pay court judgment	\$3,000.00	\$2,000.00
Financial	Financial contribution towards the establishment of a small business	\$3,500.00	\$2,500.00
Financial	Financial contribution to Virgin Gorda Festival Committee	\$5,000.00	\$5000.00
Financial	Mother of seven children unemployed. Need assistance to feed, clothe and take care of my kids. ¹	\$800.00	\$800.00
Financial	Donation for [REDACTED] Association	\$500.00	\$500.00
Financial	Financial contribution towards Easter Festival Activities	\$700.00	\$700.00
Financial	I need help with my rent. I have 7 kids and I'm unemployed. ¹	\$750.00	\$750.00
District Expense	To pay salary for district office which includes travelling and telephone allowances and to clean office.	\$2,880.00	\$2880.00
District Expense	Salary for secretarial work done in the district Office	\$500.00	\$500.00
District Expense	Payment of bills for 60x20 custom framed photo-[REDACTED] ²	\$3,000.00	\$3000.00
Financial	Assistance with delinquent loan at Banco Popular	\$4,264.00	\$2000.00
Educational	Financial aid to address the outstanding balance on my daughter's tuition at the Seventh Day Adventist High School	\$1,223.50	\$500.00
Financial	I am presently unemployed and seeking work. Any financial assistance would be grateful to allow me to meet my daily expenses	\$1,000.00	\$1000.00
Financial	Financial Support	\$300.00	\$300.00
Financial	I am late in my rent which is 850.00 the balance would be used to buy school clothes for my son 7 years old.	\$1,000.00	\$1000.00

¹ Applicant made multiple requests

² We are uncertain whether this painting is the property of the Government and the current location of the piece.

Financial	Assistance is required to handle arrears at the Bank	Any amount	\$1000.00
Financial	Financial assistance to aid with house plan	\$750.00	\$750.00
Financial	Monthly assistance towards the purchase of groceries and other home supplies up to 200.00	\$200.00	\$200.00
Educational	Contribution for Spring semester	\$5,665.00	\$5665.00
Educational	To help two of her kids to go on an educational trip to Washington, DC and Atlanta Georgia.	\$1,500.00	\$1500.00
Educational	Assist with house rent while at [REDACTED]	\$4,600.00	\$4600.00
Financial	Financial assistance towards vacation cruise	\$500.00	\$500.00
Financial	Assist in repairs to home and fencing		\$2000.00
Educational	Assist in paying fall semester fees	\$5,663.00	\$5663.00
Financial	Mortgage loan application – Mortgage down payment	\$9,000.00	\$1000.00
Medical	To cover medical expenses in Puerto Rico	\$4,200.00	\$1000.00
Medical	Financial assistance towards medical expenses	Any amount	\$2000.00
Financial	Donation to help with evangelism in Dominica	Any amount	\$250.00
Financial	Financial assistance to help with car loan payment	\$4,000.00	\$500.00
Financial	Financial assistance to promote CD launching	\$300.00	\$300.00
Financial	Financial assistance to purchase a laptop	\$1,544.00	\$1,544.00
Financial	Financial assistance to purchase a bed	\$648.00	\$648.00
Financial	Financial assistance due to unemployment	Any amount	\$500.00
Financial	Financial assistance to pay for outstanding day care fees for the past four months	\$600.00	\$500.00
Financial	Financial assistance to purchase a laptop	Any amount	\$731.00
Financial	Financial assistance to help with mortgage and bills	\$1,185.00	\$500.00
Financial	Financial assistance to purchase a laptop	Any amount	\$500.00
Educational	Wages for bus driver and vehicle expenses	\$3,738.21	\$3,738.21
Medical	Medical expenses	\$571.40	\$571.40
Financial	Financial assistance towards water bill	\$300.00	\$300.00
Financial	Contribution to UMI Ultimate Makeover Show	\$4,995.00	\$2,000.00
Financial	Contribution to roof repairs	\$1,000.00	\$1,000.00
Financial	Financial assistance with furthering music career	\$2,500.00	\$2,500.00
Financial	Financial assistance for flood relief for damage done to apartment content	\$2,500.00	\$2,500.00
Financial	Financial assistance towards anticipated travelling expenses	Any amount	\$500.00
Medical	Financial assistance towards medical	Any amount	\$1,500.00

	expenses for her son		
Financial	Financial Assistance to pay her house rent	\$475.00	\$475.00
Financial	Financial Assistance to help with payment of an outstanding loan	\$974.50	\$500.00
Financial	Financial Assistance to purchase a piece of land	Any amount	\$600.00
Financial	Financial Assistance to pay shipping charges for his truck.	\$1,000.00	\$2,000.00
Financial	Financial Assistance to pay arrears on house rent	\$2,450.00	\$2,000.00
Financial	Financial Assistance to pay for daycare for 2 sons	\$2,000.00	\$2,000.00
Financial	Financial Assistance to defray cost of travel expenses to attend funeral in Philadelphia	\$1,345.50	\$1,345.50
Financial	Financial Assistance due to financial hardship	\$1,200.00	\$1,200.00
Educational	Financial Assistance to assist with the purchasing of medical books	Any amount	\$500.00
Financial	Financial contribution towards a welcome home party	Any amount	\$300.00
Financial	Financial Assistance to pay house rent	Any amount	\$600.00
Financial	Contribution for water and sewerage function/Christmas party	\$600.00	\$600.00
Financial	Financial assistance for funeral expenses	Any amount	\$1,000.00
Educational	Financial assistance towards educational expenses	Any amount	\$1,000.00
Financial	Financial assistance to fence a plot of land to continue goat farming	\$980.00	\$980.00
Financial	Financial assistance to pay delinquent loan due to financial hardship	\$1,683.04	\$1,683.04
Financial	Financial assistance to pay water bill	\$1,044.99	\$400.00
Financial	Financial assistance to clear goods	Any amount	\$1,000.00
Financial	Financial assistance to purchase a truck	Any amount	\$1,000.00
Financial	Financial assistance to pay child support	Any amount	\$700.00
Financial	Financial assistance to pay house rent	\$550.00	\$550.00
Financial	Financial assistance towards medical assistance for her husband.	Any amount	\$1,000.00
Financial	Financial assistance due to unemployment	Any amount	\$5,00.00
Financial	Financial assistance to construct a wall	Any amount	\$4,000.00
Financial	Financial assistance to recover truck seat	\$350.00	\$350.00
Financial	Financial assistance to pay daughters school fee	\$742.50	\$742.50
Financial	Financial assistance due to unemployment	Any amount	\$500.00
Financial	Financial assistance towards electricity supply to her apartment	\$3,368.80	\$1,000.00

MANAGEMENT RESPONSE

Follow-Up Audit Recommendations

1. It is highly recommended that the recommendations provided in the original report be implemented expeditiously.

Agree/Disagree	
Corrective action planned	
Anticipated completion date	
Name(s) of contact person(s) responsible for corrective action.	

2. It is recommended that the advice of the Attorney General be sought in relation to the perceived conflict that exist where the Accounting Officer may not have authority over the 'Assistance Grants' subhead as outlined in the description in the Budget Estimates.

Agree/Disagree	
Corrective action planned	
Anticipated completion date	
Name(s) of contact person(s) responsible for corrective action.	

3. It is recommended that the Clerk (Accounting Officer) become formalize and guided by the following clauses of the Public Finance Management Act 2004 and the Public Finance Management Regulations 2005 as amended:
 - a. Public Finance Management Act 2004: Part III – 'Control and Management of Public Finance' **Section 21 (1), (2) (a) and (2) (b) and (3).**
 - b. Public Finance Management Regulation 2005 as amended: Part II – 'Accounting Officers' Section (5) (a) – (g); Section (6) (1) and (6) (2); Section (8) (1). Part iii – 'Accounts' Section (9) (1) and (9) (2); Section (10) (1), (10) (2) and (10) (3). Part IX – 'Payments' Section 72 (1) and (72) (2) (a) – (d); Section (73) (a) and (b); and Section (74) (a) – (f).

Agree/Disagree	
Corrective action planned	
Anticipated completion date	
Name(s) of contact person(s) responsible for corrective action.	

Internal Audit Unit

Ashley Ritter Building
Wickham's Cay 1
Road Town, Tortola, BVI

MEMORANDUM

CONFIDENTIAL

Ref: IAU/FAR1/10

To: The Clerk, House of Assembly

From: Director of Internal Audit

Date: April 8, 2011

Re: Accountability: Facilitating payments for Members to fund the operations of District Offices

It is unfortunate to continually have to write on the captioned subject due to what we consider to be a lack of interest in accountability within the Public Service. More so, it is displeasing when the lack of accountability for the most part, stems from the inability and, in some cases, the inaction of Accounting Officers. Section 21(2) of the Public Finance Management Act 2004 expressly states that 'Accounting Officers' are personally accountable for public funds received, collected or disbursed from monies appropriated. In addition, the Accounting Officer, according to Section 73 of the Public Finance Management Regulations 2005 as amended, must certify the accuracy of disbursements in addition to ensuring that they are adequately supported.

In this instance, as the Accounting Officer for the House of Assembly, you are personally accountable and must be cognizant of the implications for approving payments without first seeking adequate documentation. We bring to your attention numerous disbursements (**Rental of Office Space and payments to employees**) made from the Assistance Grant subhead to facilitate payments for various Members to fund the operations of their respective District Offices. These disbursements were facilitated, in our opinion, without conducting sufficient due diligence and without seeking further documentations that would satisfy their legitimacy. In the case of office accommodations, a copy of the lease agreement(s) and/or rent receipts (to verify occupancy) and in the case of employment, terms of employment and/or records of work (to verify employment) would suffice.

Likewise, you must also be cognizant of the "rule of law" in exercising your duties as an Accounting Officer.

Phone: (284) 468-3701 [REDACTED] fax: (284) 468-2558

"Your Management Specialist"

The rule of law denotes that individuals, persons and government shall submit to, **obey and be regulated by law**, and not arbitrary action by an individual or a group of individuals. As such, there are certain legal requirements that must be adhered to before facilitating payments for employment at District Offices. One such requirement falls under the Social Security Ordinance Chapter 266 sections eighteen (18) through twenty (20) which require individuals to be insured and also require the employee and the employer to contribute to the fund. Another requirement under the law relates to the Payroll Tax Act 4 of 2004. Sections 3 and 13 levies a tax on an employer's payroll and empowers the employer to deduct and retain from any salary or wage paid by him to an employee respectively, to be paid to government. After reviewing the accounting records associated with payments to person(s) employed at some District Offices, the requirements as set out in the aforementioned legislations were seemingly not carried out.

Furthermore, visits to some of the alleged District Offices revealed varying issues. For some offices, the location and the hours of operations could not be determined. While for others, we could not determine whether the office is operational since the doors were locked on our numerous visits and there were no indication of activity inside.

The House of Assembly, as one of the standards setting institutions of the BVI Government must position itself to be viewed by the wider Service as an organization that models and promotes accountability. However, we have yet to see this form of leadership as there exists numerous inefficiencies within the institution's control environment that remain unchanged as a result of management's perceived inability and unwillingness to take corrective actions. As such, I am therefore encouraging you as the Accounting Officer to become more accountable and aware of the responsibility associated with your office.

Please be guided accordingly,

Sincerely,



Deputy Financial Secretary
(for) Director of Internal Audit

WMG/mhs

cc: His Excellency the Governor
Financial Secretary
Auditor General