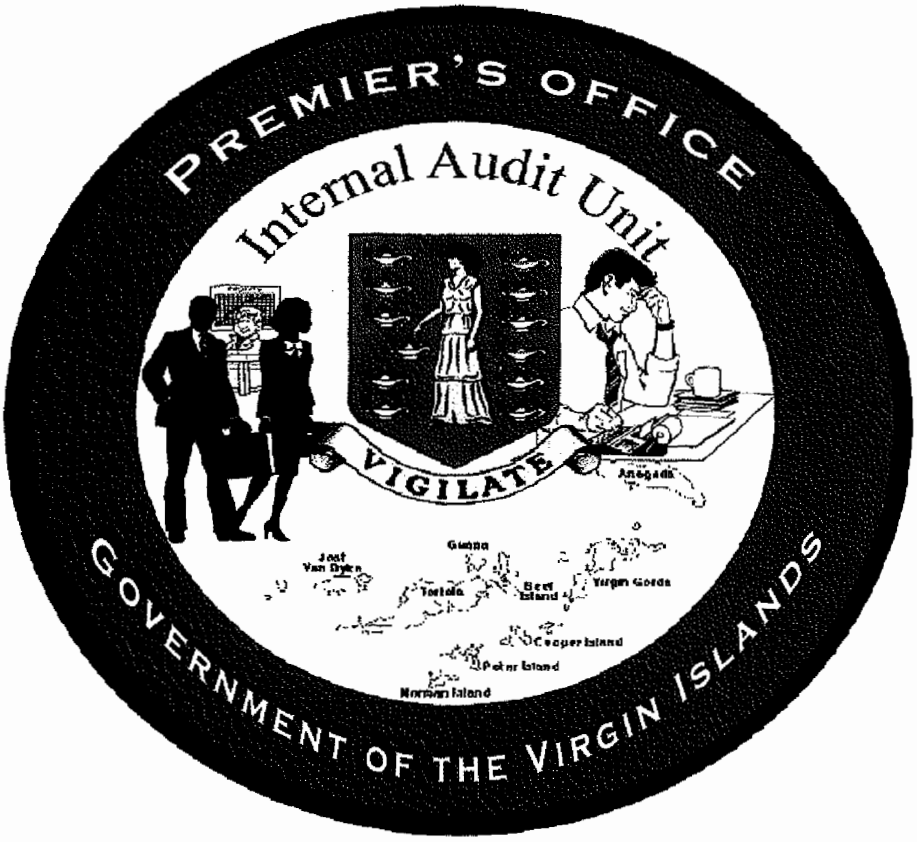
Chapter 5: Assistance Grants		
Document	**Report Reference**	**Page**
IAD Report: 'Ministry of Education and Culture Scholarship Administration 2003-2008' (March 2009)	Paragraph 5.2 footnote 3	1 – 28
IAD Follow-up Report: 'Ministry of Education and Culture Scholarship Administration 2003-2008' (September 2010)	Paragraph 5.2 footnote 3	29 – 65
Jeremiah Frett Third Affidavit (9 July 2021)	Paragraph 5.5 footnote 7	66 – 68
Phyllis Evans Second Affidavit (25 June 2021)	Paragraph 5.5 footnote 7	69 – 72
Table of amounts available to Members (disclosed to the COI in the Exhibit to Jeremiah Frett Third Affidavit)	Paragraph 5.6 footnote 10	73
Letter from Jeremiah Frett to COI (6 August 2021)	Paragraph 5.6 footnote 12	74 – 76
Guidelines for Assistance Grants (Disclosed in the Exhibit PE2 to Phyllis Evans' Second Affidavit)	Paragraph 5.10 footnote 21	77 – 78
IAD Report: Assistance Grant Programme 2006-2008 (May 2009) (including Memorandum Clerk of the House to the IAD Director (8 September 2009))	Paragraph 5.13 footnote 33	79 – 161
IAD Follow-up Report: Follow Up Audit Review Assistance Grant Programme 2006-2008 (March 2011)	Paragraph 5.14(v) footnote 48	162 – 173
Letter COI to Attorney General (21 September 2021)	Paragraph 5.29 footnote 70	174 – 180
Closing submissions on behalf of Attorney General and Elected Ministers (22 November 2021)	Paragraph 5.31 footnote 71	181 – 200
IAD Report: Government Ministries – Assistance Grants Programmes (August 2014)	Paragraph 5.42 footnote 75	201 – 238
Letter from Clerk to the House of Assembly to COI (1 April 2021)	Paragraph 5.63 footnote 100	239 – 240
House of Assembly of the Virgin Islands COVID-19 Assistance Application Form	Paragraph 5.64 footnote 101	241 – 242
Guidelines for Assistance Grants (COVID -19 Response, Pledge of $300,000 to each Elected Member)	Paragraph 5.65 footnote 102	243
Memorandum from Financial Secretary to Clerk of the House of Assembly: Request for Over-commitment - Assistance Grant (COVID-19) (7 July 2020)	Paragraph 5.67 footnote 104	244 – 245
IAD Report: COVID-19 Stimulus – Draft Audit Report (October 2020)	Paragraph 5.68 footnote 106	246 – 332
Preliminary Report on the Expenditure of COVID-19 Stimulus Funds by the Premier's Office (28 June 2021)	Paragraph 5.82 footnote 121	333 – 432
Auditor General's Report: COVID-19 Stimulus Grants to Farmers and Fisherfolk (21 June 2021)	Paragraph 5.87 footnote 129	433 – 480
Auditor General's Report: COVID-19 Stimulus Grants to Religious Institutions, Civic Groups, Private Schools & Daycares (21 June 2021)	Paragraph 5.87 footnote 130	481 – 498
The Response of the Office of the Premier to the evidence to the reports of the Auditor General and the Internal Auditor concerning the farmers and fishers and	Paragraph 5.89 footnote 136	499 – 532

schools and churches grant programme ('Response of the Premier's Office') (undated)		
Carolyn O'Neal Morton Response to COI Warning Letter No 3 (4 October 2021)	Paragraph 5.90 footnote 139	533 – 536
Supplemental Response of the Premier's Office to the reports of the Auditor General and Internal Auditor (undated)	Paragraph 5.90 footnote 142	537 – 548
Auditor General Response to COI Warning Letter (4 October 2021)	Paragraph 5.91 footnote 143	549 – 552
IAD Director Response to COI Warning Letter (7 October 2021)	Paragraph 5.91 footnote 143	553 – 574
Cabinet Memorandum No 117/2020: Policy Response to COVID-19 (12 April 2020)	Paragraph 5.93 footnote 146	575 – 584
BVI Government's Policy Response to the Coronavirus Crisis: Policy Paper (7 April 2020)	Paragraph 5.94 footnote 148	585 – 619
Revised Expedited Extract of Cabinet Minutes: Policy Response to COVID-19 Memorandum 117/2020 (12 April 2020)	Paragraph 5.94 footnote 149	620 – 621
Pre-Report to the Minister of Finance: Update on the Impact of the Coronavirus on the BVI economy and follow-up on the recommendations of the COVID-19 policy response paper (30 April 2020)	Paragraph 5.96 footnote 154	622 – 629
Task Force Paper: Economic Stimulus Package in Response to the Impact of COVID-19 on the economy of the British Virgin Islands (15 May 2020)	Paragraph 5.97 footnote 159	630 – 647
Implementation of the Immediate Relief Package – Update Report (undated)	Paragraph 5.97 footnote 161	648 – 707
Letter SSB Director Antoinette Skelton to Financial Secretary Glenroy Forbes (28 May 2020)	Paragraph 5.101 footnote 168	708 – 709
Letter Financial Secretary Glenroy Forbes to SSB Director (25 May 2020)	Paragraph 5.101 footnote 169	710 – 712
Letter Premier and Minister of Finance to SSB Chairman (25 May 2020)	Paragraph 5.103 footnote 171	713 – 715
Revised Expedited Extract of Cabinet Minutes: Memorandum No 175/2020 COVID-19 Transportation Stimulus Package (8 December 2021)	Paragraph 5.111 footnote 183	716 – 717
Expedited Cabinet Extract Memorandum 211/2020: COVID-19 Economic Stimulus - Small Business Sector Grant Programme (17 June 2020)	Paragraph 5.116 footnote 188	718 – 719
Cabinet Memorandum No 267/2020: COVID-19 Economic Stimulus – Small Business Sector Grant Programme with appendices (15 July 2020)	Paragraph 5.117 footnote 189	720 – 741
Expedited Cabinet Extract dated 16 July 2020: Memorandum No 267/2020	Paragraph 5.117 footnote 189	742 – 743
Cabinet Memorandum No 343/2020: COVID-19 Economic Stimulus – Micro Small and Medium Enterprise (MSME) Businesses Grant Relief Awards (10 September 2020)	Paragraph 5.118 footnote 190	744 – 749
Expedited Cabinet Extract on Memorandum No 343/2020 (11 September 2020)	Paragraph 5.118 footnote 191	750 – 751
Economic Stimulus Micro Small and Medium Enterprise (MSME) Businesses Grant Programme Policy Brief (7 July 2020)	Paragraph 5.122 footnote 200	752 – 760

Incomplete Cabinet Memorandum No 97/2020: Economic Stimulus for Farmers and Fishermen (COVID-19) (20 March 2020)	Paragraph 5.125 footnote 203	761 – 769
Cabinet Memorandum No 97/2020: Economic Stimulus for Farmers and Fishermen (COVID-19) (20 March 2020)	Paragraph 5.125 footnote 203	770 – 775
Expedited Extract of Cabinet Minutes: Memorandum Economic Stimulus for Farmers and Fishermen (COVID-19) 97/2020 (20 March 2020)	Paragraph 5.127 footnote 208	776
Cabinet Memorandum No 179/2020 Economic Stimulus - Farmers and Fishermen (27 April 2020)	Paragraph 5.128 footnote 209	777 – 785
Expedited Cabinet Extract on Cabinet Memorandum No 179/2020 (27 May 2020)	Paragraph 5.130 footnote 213	786 – 787
Bundle accompanying written response of Auditor General to Response of Premier's Office (4 October 2021)	Paragraph 5.134 footnote 224	788 – 836
Email from Theodore James, Director DAF, to Deputy Secretary Elvia Smith-Maduro (19 August 2020)	Paragraph 5.143 footnote 238	837
Premier Response to COI Warning Letter No 5 (4 October 2021)	Paragraph 5.145 footnote 241	838 – 840
Extract of SSAC Report 2020 (undated)	Paragraph 5.151 footnote 252	841 – 845
Carolyn O'Neal Morton Fifth Affidavit (1 November 2021)	Paragraph 5.151 footnote 254	846 – 849
Cabinet Memorandum No 325/2021: Monitoring and Evaluation Policy of the Economic Stimulus Programmes (5 August 2021)	Paragraph 5.158 footnote 269	850 – 858
Record of Cabinet Decision re Cabinet Memorandum No 325/2021 (19 August 2021)	Paragraph 5.158 footnote 270	859 – 861
Auditor General's Response to the Response of the Premier's Office (4 October 2021)	Paragraph 5.167 footnote 297	862 – 896
Cabinet Memorandum No 236/2020: COVID-19 – Economic Stimulus – Daycares, Pre-schools, Private schools, Churches and Religious Organisations (16 June 2020)	Paragraph 5.198 footnote 347	897 – 902
Expedited Cabinet Extract on Cabinet Memorandum No 236/2020 (8 July 2020)	Paragraph 5.199 footnote 349	903 – 904
COVID-19 Economic Stimulus Schools and Organisations Programme Policy Brief (14 July 2020)	Paragraph 5.200 footnote 350	905 – 920
Cabinet Memorandum No 342/2020: COVID-19 Economic Stimulus – Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisation Programme (Revised) and Appendices (8 September 2020)	Paragraph 5.202 footnote 352	921 – 943
Draft Information Paper: COVID-19 Economic Stimulus Pre-schools, Day Cares, Private Schools Churches and Religious Organisations Programme (8 September 2020)	Paragraph 5.204 footnote 357	944 – 956
Expedited Cabinet Extract on Cabinet Memorandum No 342/2020 (30 September 2020)	Paragraph 5.205 footnote 359	957 – 958
Cabinet Memorandum No 325/2021: Monitoring and Evaluation Policy of the Economic Stimulus Programmes (5 August 2021)	Paragraph 5.206 footnote 364	959 – 967

Memorandum IAD Director to Financial Secretary: Economic Stimulus – Farmers and Fisherman – Cabinet Memorandum No 179/2020 (24 June 2020)	Paragraph 5.280 footnote 472	968 – 969
Email Financial Secretary Glenroy Forbes to Deputy Financial Secretary Jeremiah Frett (25 June 2020)	Paragraph 5.281 footnote 475	970
Email MoF to Permanent Secretary Premier's Office Dr Carolyn O'Neal Morton (16 July 2020)	Paragraph 5.281 footnote 476	971
Email MoF to Deputy Secretary Premier's Office Elvia Smith-Maduro (21 July 2020) and Ms Smith-Maduro's response (22 July 2020)	Paragraph 5.281 footnote 477	972
Email from Deputy Financial Secretary Jeremiah Frett to Permanent Secretary Premier's Office Dr Carolyn O'Neal Morton (11 August 2020)	Paragraph 5.281 footnote 478	973
Email IAD Deputy Director Simba Todman to Deputy Secretary Premier's Office Elvia Smith-Maduro (2 July 2020)	Paragraph 5.282 footnote 480	974 – 975
Memorandum IAD Director to Permanent Secretary Premier's Office: COVID-19 Initiatives Expenditure (8 September 2020)	Paragraph 5.283 footnote 481	976 – 977
Email correspondence between IAD Director and the Premier's Office (September 2020 to 15 October 2020)	Paragraph 5.285 footnote 483	978 – 980
Email correspondence between IAD and the Department of Trade (21 September 2020 to 29 September 2020)	Paragraph 5.286 footnote 484	981 – 982
Email correspondence between IAD and the Premier's Office (3 November 2020 to 12 November 2020)	Paragraph 5.287 footnote 485	983 – 986
Memorandum IAD Director to Financial Secretary: COVID-19 Economic Stimulus Initiatives (9 November 2020)	Paragraph 5.288 footnote 486	987 – 988
Email correspondence between Deputy Financial Secretary Jeremiah Frett, Permanent Secretary Premier's Office Dr O'Neal Morton and the IAD Director (3 February 2021 to 6 June 2021)	Paragraph 5.290 footnote 488	989 – 992
Email correspondence involving the IAD, FPO Premier's Office, Dr O'Neal Morton and the IAD Director (21 December 2020 to 4 January 2021)	Paragraph 5.292 footnote 491	993 – 996
Email Dr Carolyn O'Neal Morton to FPO (1 April 2021)	Paragraph 5.292 footnote 492	997
Memorandum from Office of the Auditor General: COVID-19 Stimulus Grants (13 July 2020)	Paragraph 5.318 footnote 533	998 – 999
Email from Kenrick Grant to Dr O'Neal Morton (30 November 2020)	Paragraph 5.321 footnote 537	1000
Letter Dr Carolyn O'Neal Morton to Auditor General (28 June 2021)	Paragraph 5.321 footnote 538	1001 – 1002
Memorandum from Attorney General to Dr Carolyn O'Neal Morton: Request for Legal Advice (25 June 2021)	Paragraph 5.350 footnote 576	1003 – 1004
Letter Dr Carolyn O'Neal Morton to Auditor General (29 June 2021) and attachments	Paragraph 5.353 footnote 580	1005 – 1032

INTERNAL AUDIT UNIT



Scholarship Administration

Ministry of Education and Culture

2003-2008

March 2009

TABLE OF CONTENTS

1.0	EXECUTIVE SUMMARY	2
2.0	INTRODUCTION	3
3.0	AUDIT TYPE	4
4.0	AUDIT SCOPE	4
5.0	AUDIT OBJECTIVE	4
6.0	AUDIT CRITERIA	4
7.0	FACTS AND FINDINGS	5
8.0	AUDIT CONCERNS	10
9.0	RECOMMENDATIONS	10
10.0	AUDIT NOTE	12
11.0	CONCLUSION	12
12.0	APPENDIX	13

1.0 EXECUTIVE SUMMARY

1.1. The main findings resulting from this audit of the Scholarship Programme are as follows:

1.1.1 The Scholarship Programme is not governed by any formal policies or procedures and as a result, renders the process of selection of awardees to be based on an individual basis rather than on specific merits of applications.

1.1.2 The scholarship selection process lacks transparency and leaves room for scholarships to be awarded inappropriately based on personal preferences.

1.1.3 A large majority of students are in non-compliance with a number of guidelines that were laid out in their scholarship and bond agreements. Areas of non-compliance include: failure to submit receipts and transcripts each semester, not requesting permission to transfer schools or change area of study, not returning to the territory to take up employment upon completion of their studies, not giving the Ministry the six (6) months notice of expected completion of their degrees, not registering for fifteen (15) credit hours each semester as required and not maintaining the minimum grade point average (GPA) requirement of 2.75.

1.1.4 The Scholarship Programme is currently being administered inadequately as a result of a lack of human resources and concrete guidelines to govern the management of the programme.

1.1.5 A number of students' deferrals were granted based upon the student's wishes to further their education or for work related experience abroad. No revisions were made to bond agreements in these instances.

1.1.6 There were instances where bonds were not signed and funds were disbursed. In addition, a number of students' bonds have had to be revised, in some instances more than once, because of multiple extensions being granted. The revised bonds have to be re-signed and as a result of students being overseas, these bonds remained unsigned for long periods of time without any arrangement being made with the surety to have the bond signed, in the interim, until the student returns.

1.1.7 There are a large number of students that have completed their studies but have failed to return to the territory to take up employment or inform the Ministry of their intentions. In most cases, the Ministry is unaware of the students' whereabouts.

1.1.8 Certain provisions in the current draft policy being used are unsuitable and difficult to enforce.

2.0 INTRODUCTION

2.1. The Scholarship Programme was established to provide financial assistance to British Virgin Islands students who opt to obtain a tertiary education locally or abroad. Since its inception the Scholarship Programme has been the key means of training Virgin Islanders throughout the territory.

2.2. The Scholarship Programme is managed by the Scholarship Unit within the Ministry of Education and Culture. Although there is no approved policy to administer the scholarship programme, general guidelines were adapted over the many years that gave rise to a draft policy that is now pending approval.

2.3. Currently, the Scholarship Unit collects and short lists applications submitted by potential students which are then forwarded to the Scholarship Committee to evaluate and make recommendations based on government's training priority list. Final approval is sought from Cabinet and the Governor before any student is awarded a scholarship.

2.4. All Scholarships are financed through the Ministry of Education and Culture's Recurrent Budget Head - 390; scholarships to attend colleges and universities locally and abroad are allotted through subhead 62910. Although the government has implemented a zero tuition rate for British Virgin Islanders at the H. Lavity Stoutt Community College, the Ministry still provides local scholarship recipients with an allowance to cover the cost of books and other incidentals.

2.5. The Scholarship Programme has grown by sixty-nine percent (69%) in actual expenditure from two million nine hundred and eighty-eight thousand, nine hundred and eighty dollars ($2,988,980.00) in 2003 to over four million, three hundred and forty-eight thousand and eighty-eight dollars ($4,348,088.00 unaudited) within five (5) years at the end of 2008.

2.6. There are three (3) types of scholarships offered through the scholarship program:

2.6.1 National Scholarships - offered each year to a British Virgin Islander, graduating as Valedictorian or Salutatorian from a High School in the territory to pursue any programme approved by the government's manpower needs.

2.6.2 Scholarships awarded on the recommendations of the Virgin Islands Scholarship Committee – these scholarships are awarded based on applications submitted to the Ministry, interviews conducted by the Scholarship Committee and final approval done by Cabinet. The value of the scholarship is set by the Ministry and will not exceed a ceiling amount per annum.

2.6.3 Scholarships awarded to pursue Technical and Vocational Training – these scholarships are to be awarded based on applications and are to a specific technical school. Final selection is made by the Virgin Islands Scholarship Committee and

then further approval by Cabinet. Funds are paid directly to the institution for tuition and associated expenses, however, students are responsible for their living, books and other expenses.

3.0 AUDIT TYPE

3.1. Operational and Compliance

4.0 AUDIT SCOPE

4.1. The scope of the audit covered the number of incidents where scholarship recipients both locally and overseas had to repeat courses from 2003 to 2008 and the cost of repeated courses covered by students.

4.2. The audit also included a review of the administration of the Scholarship Programme within the aforementioned timeframe from the time an applicant submits a request for a scholarship up to but not limited to the students' return to seek employment within the territory.

5.0 AUDIT OBJECTIVE

5.1. To determine the number of students that may have had to repeat courses because of failure.

5.2. To determine if the Ministry is adhering to its policy of having students pay for courses that had to be repeated.

5.3. To determine if the Ministry is efficiently and effectively administering the scholarship programme in such a manner that provides value for money.

6.0 AUDIT CRITERIA

6.1. Reports from the Ministry of Education and Culture

6.2. Minutes of Meetings - Scholarship Committee

6.3. Interviews with Personnel from the Ministry of Education

6.4. Review of student records held by the Ministry of Education

7.0 FACTS AND FINDINGS

Scholarship Selection Process

7.1. The scholarship selection process lacks transparency which may lead to inappropriate approval of scholarships that may not meet the Government's training and development needs.

7.2. The selection of scholarship recipients is facilitated through a Scholarship Board/Committee which is appointed by Cabinet. The Committee is charged with reviewing scholarship applications and making recommendations to Cabinet. However, the Committee lacks formal guidance in the execution of its function and also lacks a code of conduct to guide them in cases where conflicts of interest may exist.

7.3. The Ministry currently lacks approved guidelines for the selection, approval and ongoing monitoring of scholarship awards which may lead to subjective and inappropriate practices.

7.4. In formulating the budget for this programme, an arbitrary number of scholarships to be given is determined and this figure is multiplied by the amount of funds granted to a student each year, which is currently eighteen thousand dollars ($18,000.00). This amount is then added to the amount of funds needed for students already in the programme and continuing studies. Although funding has remained within the approved budget for the programme, budgeting on this basis leaves room for over expenditure and does not consider extensions that may be granted.

7.5. According to Ministry personnel, criteria and conditions for awarding scholarships were developed and revised over the past ten (10) years by the Ministry, however, these criteria and conditions were never formalized therefore they are not strictly adhered to.

7.6. Currently, there is no minimal assessment criteria applied to scholarship applications. There is no weighing of selection criteria, no ranking of student applications and no documentation maintained to explain why a scholarship was awarded or not. Committee minutes revealed a scant interview process and gave no indication that applicants were assessed based on the merit of their applications. There is no documentation maintained by the Ministry or the Committee on the assessment of each application and supporting documentation such as individual rating or scoring sheet of candidates against the selection criteria. See Appendix 12.1.

7.7. In some instances, scholarships were awarded without the recipient being interviewed by the Committee. In other instances, scholarships were awarded by Cabinet without the recipient making a formal application to the Ministry prior to the award. The audit revealed that some applications were received long after Cabinet approved the award. Instances such as these beg the question of transparency as no documentation could

be provided as to what merited such awards.

7.8. The audit revealed that all scholarship awards are not awarded based on the priority training need of the territory. Instances were uncovered whereby applications were made to study non-priority areas of study; one application was successful and the others rejected citing that it was not a priority area of study. Instances such as this give rise to the appearance that awards are made on a preferential basis rather than merit.

Requirements of the scholarship award

7.9. The requirements for maintenance of a scholarship are not being adhered to by recipients in overwhelming numbers. Requirements such as providing the Ministry with receipts and official transcripts are routinely ignored with little or no consequences for noncompliance.

7.10. The audit revealed numerous instances whereby students failed a course or a combination of courses and the students were not requested to reimburse or to pay for failed courses as stipulated in their award letter. Ministry personnel cites that students usually have to bear some of the cost of their education, since the students' cost of study including tuition is greater than the grant/scholarship provided, making it difficult to enforce this provision.

7.11. A sample test of sixty three (63) student files revealed that forty-nine percent (49%) of scholarship recipients selected failed a course or combination of courses; of these, none were requested by the Ministry to reimburse the Government the cost of the failed course(s). This test also revealed that forty-one percent (41%) of those selected completed their studies; twenty-one percent (21%) returned to the territory; while fourteen percent (14%) is known to be working within the territory.

7.12. The Ministry has implemented a minimum performance standard of a 2.75 grade point average (GPA), which was later revised in 2005 to a 3.00 to ensure that students maintain a high level of scholastic performance. However, enforcement of this measure is inadequate due to deficiency in carrying out enforcement procedures. According to Ministry personnel, students are issued two written warnings before being placed on academic probation at which time funds are to cease until the student improves his or her grades. An examination of compliance revealed inconsistencies in administering this process mainly due to the lack of timely submission of official transcripts by students and negligence by the Ministry to enforce the same.

7.13. As a result of inadequate enforcement, there are cases where students have completed their programme (with funding) while maintaining a cumulative GPA of below the 2.75 and/or 3.00 minimum standard where applicable in spite of warnings being issued.

7.14. Students are required to provide six (6) months notice of their date of completion. This requirement is necessary so that the Ministry is given sufficient time to liaise with the Department of Human Resources so that students may be placed within the public service where their skills may be required. Although the Ministry issues reminders to students when scholarship funds awarded are about to expire, students have consistently failed to provide the required notice and as a result are not adequately placed when they return.

Scholarship Administration

7.15. Currently, the Scholarship Unit is not adequately staffed to handle the workload associated with the growth and magnitude of the Scholarship Programme. Currently, there are only two (2) officers assigned to administer this programme.

7.16. The Ministry has an inadequate manual system in place to monitor scholarships, which has contributed to many of the deficiencies within the programme. There are no procedures for the retention of student data, poor recordkeeping of student information and poor monitoring of on-going student performance.

7.17. As a result of the laxity in administering the Scholarship Programme, recipient abuse of the programme is rampant throughout; students have changed their major and/or institution without first receiving permission. Requests for transfers in some cases are approved after the fact by the Ministry without first conducting an audit on the student's file. Furthermore, recipients default on their bond obligations at will, and consistently failed to meet other requirements of their award.

7.18. A reoccurring trend has developed whereby students are allowed to defer their bond obligation without considering government's priority needs for students' return, the legal implications, and the burden the allowance places on the government financially. In most cases, when a deferral is requested it is usually approved once it is indicated that the request is to further their education or the request is to gain related work experience while abroad. The Ministry also does not have a system in place to monitor these students on deferral and no follow up procedures are carried out to substantiate the students' claims and to ensure that the student returns to the territory after the deferral expires.

7.19. There is virtually no closeout process for scholarship recipients' file. The Audit Team uncovered numerous closed files that still had outstanding issues which needed to be addressed, however, the files were closed and archived without resolution.

7.20. It was brought to our attention that a student obtained a scholarship award without approval from Cabinet or without being recommended by the Scholarship Committee. Although we were unable to review the specific case due to unavailability of the file, the Audit Team is concerned about the ease at which instances of fraud may occur within the programme. In addition, the way in which this student obtained a

scholarship shows the inherent weaknesses and the lack of control mechanisms in place for administering the Scholarship Programme.

7.21. As a requirement of the bonding obligation, recipients are required to take up employment within the territory, either in the public or private sector, once they have completed their studies. However, the Ministry lacks the necessary facility to track whether this requirement is being fulfilled. In instances where the Ministry is aware of recipients not returning to the territory, enforcement of bonding requirement is lackadaisical and sporadic at best. Additionally, the Ministry has to seek counsel from the Attorney General's Chamber in order to enforce this requirement or to seek legal recourse and is usually time consuming.

7.22. The Masters and Doctorate programs are usually funded through a one time grant which is capped at fifteen thousand dollars ($15,000.00). Presently, a decision was made to discontinue such grants until recommendations are presented from the Review Committee. In the interim, Cabinet has authorized the Minister of Education and Culture to approve requests for assistance. Again, the audit found no substantial criteria on which such awards are made.

7.23. Based on information obtained from the Ministry, the Scholarship Committee presently uses the "priority training list" which was compiled by the Government's Training Division. Upon further inquiry, we learned that the list is representative of the priority training areas of the Public Service and not the Territory. As a result, the two programmes, Training Division and Ministry of Education, are duplicating functions.

7.24. Budgeting for new scholarship awards is not done in a systematic manner. According to information obtained from Ministry personnel, there is no set number of scholarships that will be awarded by Government in any given year. Instead, each year the Ministry chooses an arbitrary number of scholarships that it would like to award and makes budgetary submissions to accommodate that number. Based on the information obtained, no system is in place to arrive at the number.

Bond Execution

7.25. In numerous instances the audit revealed that bonds were neither signed by the recipient nor their surety prior to the initial payment of the scholarship award. In addition, there were cases whereby students completed their studies and still have not signed an effective bond.

7.26. Bonds are regularly revised based on extensions requested by scholarship recipients with no evidence that budgetary implications were considered. In one instance, a recipient's original bonding amount was twenty-seven thousand dollars ($27,000.00); after three (3) revisions the bonding amount now stands at approximately ninety-nine thousand dollars ($99,000.00). In addition, no audits were done before these extensions were granted to determine if the extensions were warranted because of

failed courses. This in turn could lead to extensions doubling the initial awarded bond amount and several bonds having to be revised to reflect the number of extensions. There is no set limit as to how much funds will be given upon the approval of an extension or how many extensions a student will be granted.

7.27. In July 2002, Executive Council suspended all repayment of outstanding bonds and advised that a task force be set up by the Ministry of Education and Culture to carry out a thorough review of the scholarship, bonding and repayment policies and was ordered to report its recommendation within three (3) months. The Audit Team requested a copy of this report and was informed that the task force was never commissioned.

7.28. Despite Executive Council's decision to suspend bond repayments, the situation has escalated whereby students are not honoring their bond obligations and no legal recourse has commenced to effect compliance or to recoup government funds.

7.29. The bond fulfillment and repayment issues lack proper coordination between relevant stakeholders: that is, the Ministry of Education and Culture, Human Resources Department, the Ministry of Finance, Treasury Department and the Attorney General Chambers. Even though all of these departments play a pivotal role in the execution, fulfillment and enforcement of bonds, little communication and coordination exists across the departments. For example, a requirement of the bonding agreement is that recipients notify the Ministry of their imminent completion, thereafter, the Ministry is required to notify the Human Resource Department (HRD) of the same, so that the recipient can be placed within the public service if the need for the person's skills is identified. However, once the information is forwarded to HRD the process is effectively terminated for the most part.

7.30. The severity of the recovery efforts and the level of noncompliance and enforcement of bond obligations and the necessity to recoup public funds from delinquent scholarship recipients are not treated as an issue of priority for scholarship administrators. In cases where matters are referred to the Attorney General Chambers for further actions, such cases linger for extended periods with little to no action by the Chambers and little to no follow-up by the Ministry to ensure the legal bonds are enforced. As a result, cases are sometimes forgotten, corrective actions abandoned and scholarship files closed.

Proposed Draft Policy

7.31. Currently, there is no substantive policy to guide the scholarship process. There is a draft policy that was formulated years ago, however, it was never adopted by Executive Council or Cabinet. To a large extent this policy is being used along with Cabinet decisions in the absence of a substantive policy. A committee has convened to review and amend the draft policy with a view of presenting it to Cabinet for approval.

8.0 AUDIT CONCERNS

8.1. It is the Ministry's position to only finance scholarships up to the undergraduate level due to financial constraints and as a principle of equity in the awards. However, the Audit Team is concerned about the possibility of circumventing this principle by applicants who receive scholarships through the Ministry's scholarship program and subsequently through the Government's training programme (Training Division-Study Leave). In essence the funds are coming from the same source.

9.0 RECOMMENDATIONS

9.1. It is recommended that penalties be implemented and enforced for scholarship recipients who do not fully adhere to the requirements of their scholarship award and bond obligations.

9.2. It is further recommended that policies and procedures be implemented urgently in the form of a policy and a procedural manual. The policy and procedural manual should cover all aspects that relates to scholarship administration. Once implemented, strict adherence and enforcement of policies should be followed to ensure that transparency and equity governs the programme's administration.

9.3. It is recommended that a thorough review/audit of delinquent recipients' files for the past five (5) years be undertaken with a view of assessing repayment amounts for students that have failed to return to the territory to fulfill their bonds. The first point of contact, provided that the students cannot be contacted, should be the surety. In the event that the Attorney General's Chambers are unable to pursue this initiative with the uttermost urgency and follow through as needed, we recommend that the possibility of outsourcing this task be considered.

9.4. A weighted criterion for the selection of scholarship recipients should also be put in place. The current system is very subjective and leaves room for concerns to be raised as to why certain awards were given. The implementation of a criterion and ranking system will bring the much needed transparency to the process.

9.5. It is recommended that the Ministry maintain clear documentation on how decisions in relation to the awarding of scholarships are done and that the Scholarship Committee ensures that:

9.5.1 Applications are ranked against a selection criterion. Each member of the Committee should separately rank each application and then meet to deliberate and award scholarships to successful applicants.

9.5.2 Selection criteria are to be weighted, giving greater emphasis (weight) to those areas that contribute greatly to the decision making process.

9.5.3 Minutes of meetings are prepared in a timely manner and certified by the Chairperson.

9.6. It is recommended that the Scholarship Unit be adequately staffed as the current human resources is insufficient to carry out all the necessary functions needed to ensure that the programme is governed properly. In addition, the current staffing level does not facilitate for separation of duties where such separation is required.

9.7. It is important that a database be implemented as soon as possible as this will assist in helping the unit to monitor students' activity and funding. Therefore, we recommend that in the interim that a excel spreadsheet be prepared until the program requested from the Department of Information Technology is received.

9.8. Proper close out procedures are needed once students have completed their studies and fulfilled their bonding obligations.

9.9. It is recommended that all bonds be signed by the recipient and the surety before financial disbursements are made. In instances, where a revised bond is necessary and the recipient is not available to sign, it is recommended that at least the surety be made to sign and the recipient sign at his/her earliest convenience. We strongly discourage, due to legal ramifications, the current practice of the bond remaining unsigned for extended periods.

9.10. It is recommended that a policy be established to put limits on the number of bond revisions and the maximum percentage an award can be augmented.

9.11. It is recommended that scholarships not be awarded before and without an application being submitted prior to the award.

9.12. It is recommended that the Ministry establish a specific number of scholarships that will be awarded each year and adopt this as part of the policy.

9.13. It is recommended that the Ministry undertake a "National Skills Survey" as a matter of urgency and use the results to improve the scholarship programme for the benefit of the entire country.

9.14. It is recommended that before deferrals are granted that students provide the school and school's contact information at which they will be continuing their studies. In the event they are using the time to pursue work-related experience, the name of their employer and other documentation should also be obtained before the deferral is granted.

9.15. It is recommended that a thorough review of the current draft policy be undertaken before approval and implementation are done. Consideration and revision of policies that were previously adopted but have proven too difficult to enforce and unrealistic should be done at this juncture. For example, the policy of students repaying funds for

courses failed. As stated, the current scholarship award is insufficient to cover the entire cost of the students' tuition and board and other expenses. As the policy currently stands, it is difficult to implement seeing that students have to bear a portion of their study costs.

9.16. In the long term, it is recommended that Government consider merging the Study Leave Programme administered by Training Division and the scholarship programme administered by the Ministry of Education into one "National Training and Scholarship Unit". By doing so, more focus would be achieved towards national development. Such a move could also assist with the human resource deficiencies currently plaguing the Scholarship Unit.

10.0 AUDIT NOTE

10.1 The Ministry of Education and Culture is presently conducting an internal review of the Scholarship Programme and as such has already identified some of the deficiencies contained within this report. In addition, remedial recommendations and actions have already been taken in an effort to rectify some of the issues. We were made aware that a Committee is presently working on revising the draft policy with a view of having it ratified by Cabinet. We are, however, unaware as to the extent of their works and progress thus far.

11.0 CONCLUSION

11.1. The Scholarship Programme was, from its inception, established with good faith for the empowerment of British Virgin Islanders. However, the Audit revealed serious breakdowns in critical management systems and procedures in the administration of the programme. In addition, the integrity of awarding scholarships has been compromised by the lack of appropriate guidelines, selection criteria, monitoring and management of scholarships.

11.2. We are also of the opinion that the Scholarship Programme lacks objectivity and transparency in its operations and as a result of the compounding mismanagement; the Government may not be receiving the expected value for money.

11.3. In order for any project or programme to be administered effectively, appropriate policies and procedures must be in place and enforced. More importantly, there must be implications for negligence or outright blatant 'don't care' attitudes on the part of students for not complying with a legally binding document (scholarship or bond agreement). An environment where there is no enforcement of the rules will breathe problems and thus cause the Government to lose both human and financial resources.

12.0 APPENDIX

Scholarship Selection Criteria

12.1. In order for an applicant to be considered for a scholarship the following criteria must be met:

12.1.1 Applicants should have attained a GPA of 2.75 or equivalent.

12.1.2 Applicants should be a British Virgin Islander, a belonger or deemed to belong to the territory.

12.1.3 Should possess a minimum of five (5) CXC results in General Grade I or II or III (as of 1998) or five (5) GCE passes grade C or above or a combination thereof.

12.1.4 Area of training must comply with the country's manpower needs and priority.

12.1.5 Applicants must show proof they are in the process or have applied for training at a higher institution of learning.

Requirements of Scholarship Award

12.2. All scholarship recipients are required to adhere to the following conditions for the duration of their awards:

12.2.1 The recipients' first requirement is to sign a bond agreement promising to return to the territory and seek employment with the Civil Service as their first option for a specified period, after completing or failing to complete the desired course of study.

12.2.2 They are required to submit their current address and contact information

12.2.3 They are required to inform the Ministry of Education and Culture of any change in address and any absence of more than four (4) days from their place of study due to illness or injury.

12.2.4 Recipients are required to maintain a full-time enrollment status with a minimum of fifteen (15) credits for the duration of the award.

12.2.5 Any grade of "W" (Withdrawal) or "I" (Incomplete) must be explained or the recipient will be responsible for the cost.

12.2.6 Scholarship recipients are responsible for any cost associated with the pursuit of skill or remedial courses.

12.2.7 They are required to instruct the College or University to send official transcripts to the Ministry of Education and Culture at the end of each semester.

12.3. Scholarship recipients are not permitted to:

12.3.1 Change either their approved programme of study or training institution without prior approval by the Ministry of Education and Culture which should be made in writing with supporting documents at least one year in advance.

12.3.2 To accept any full-time or part-time paid employment in the country of study without first seeking permission from the Ministry.

12.3.3 To engage in any political activities in the host country.

Bond requirements

12.4. All scholarship recipients are required to sign a bond with the following requirements and conditions before funds are released:

12.4.1 The student and the surety covenant with the Governor to give six (6) months notice in writing of the student's scheduled date of return to the Territory.

12.4.2 That if the student fails to complete the programme the bond agreement shall be deemed to have been terminated forthwith and the surety and the student shall be jointly and severally liable to pay to the Government all sums paid in respect of the programme as of the date of the termination of the agreement.

12.4.3 That if the student fails to complete the programme within the time period stipulated, he shall be responsible for any additional expenditure necessary to complete the said programme.

12.5. Table 1: Actual Expenditure vs. Budgeted Estimates for the subheads used by the Scholarship Programme.

Subheads			2003	2004	2005	2006	2007	2008
62420	Further Education Programmes	Budget	$ 550,000.00	$ 538,575.00	$ 779,200.00	$ 400,000.00	$ 454,800.00	$ 652,237.33
		Actual	$ 401,957.00	$ 538,555.20	$ 776,234.93	$ 394,880.50	$ 449,255.00	$ 635,984.42
62425	Graduate Scholarship Programme	Budget	$ 150,000.00	$ 90,000.00	$ 60,000.00	$ 110,000.00	$ 107,600.00	$ 314,700.00
		Actual	$ 60,301.10	$ 88,000.00	$ 37,785.00	$ 106,480.00	$ 91,700.00	$ 314,700.00
62910	Scholarships Abroad	Budget	$ 2,560,000.00	$ 2,480,460.00	$ 2,707,500.00	$ 2,955,000.00	$ 3,409,000.00	$ 3,400,000.00
		Actual	$ 2,526,722.00	$ 2,456,802.13	$ 2,572,069.16	$ 2,950,427.91	$ 3,338,146.21	$ 3,397,403.61
Total		Budget	$3,260,000.00	$3,109,035.00	$3,546,700.00	$3,465,000.00	$3,971,400.00	$4,366,937.33
		Actual	$2,988,980.10	$3,083,357.33	$3,386,089.09	$3,451,788.41	$3,879,101.21	$4,348,088.03

Notes

- Subhead 62420- Covers scholarship expenses of students attending the H. Lavity Stoutt Community College.
- Subhead 62425- Covers assistance to students in obtaining their Masters Degrees and PhD's.
- Subhead 62910- Scholarship expenses of BVI students at Universities and Colleges overseas.

MINISTRY OF EDUCATION AND CULTURE
GOVERNMENT OF THE BRITISH VIRGIN ISLANDS

MEMORANDUM

From: **Permanent Secretary, ME&C** **Our Ref: MEC/SCH.11/067**

To: **Director of Internal Audit Unit**

Date: **April 29, 2009**

Subject: **Scholarship Administration – Ministry of Education & Culture 2003-2008**

In response to your memorandum with subject at caption, please find enclosed our submissions made in response to the recommendations noted in the Draft Report of Scholarship Administration – Ministry of Education & Culture 2003 – 2008.

We wish to thank you for the opportunity to respond to this report and applaud your kind office for the insight given and recommendations made, which it is hoped would be utilized to further enhance the efficient and effective functioning of the Scholarship Unit.

Should you have any further questions, or if any clarification is necessary, please do not hesitate to contact Ms. Tasha Bertie, Ag. Assistant Secretary (Scholarship Manager) in the Ministry of Education and Culture at extension 2644.

Thank you for your consideration in this regard.

Sincerely,

[redacted]

Sheila Brathwaite (Mrs.)
Permanent Secretary, ME&C

RECEIVED
APR 29 2009
INTERNAL AUDIT UNIT
ROAD TOWN, TORTOLA

encl.

:tkb

IA II(a9)
4/29/09

cc: ***Permanent Secretary, Premiers Office***

Government of the British Virgin Islands, Central Administration Complex
Road Town, Tortola British Virgin Islands
Tel.: 284-468-3701/468-0632 ♣ Fax: 284-468-0021 ♣ E-Mail: bvimecgov@hotmail.com

9.0 RECOMMENDATIONS

9.1. It is recommended that penalties be implemented and enforced for scholarship recipients who do not fully adhere to the requirements of their scholarship award and bond obligations.

Agree/Disagree	Agree
Corrective action planned	Presently being reviewed by the Cabinet approved Scholarship Review Committee for recommendation. Once approved by Cabinet this will be implemented as apart of the Scholarship Policy.
Anticipated completion date	September 1st 2009
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Ag. Assistant Secretary, ME&C

9.2. It is further recommended that policies and procedures be implemented urgently in the form of a policy and a procedural manual. The policy and procedural manual should cover all aspects that relates to scholarship administration. Once implemented, strict adherence and enforcement of policies should be followed to ensure that transparency and equity governs the programme's administration.

Agree/Disagree	Agree
Corrective action planned	Presently being reviewed by the Cabinet approved Scholarship Review Committee for recommendation. Once approved by Cabinet this will be implemented as the Scholarship Policy. A procedural manual will be a by product of this Policy.
Anticipated completion date	September 1st 2009
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Ag. Assistant Secretary, ME&C

9.3. It is recommended that a thorough review/audit of delinquent recipients' files for the past five (5) years be undertaken with a view of assessing repayment amounts for students that have failed to return to the Territory to fulfill their bonds. The first point of contact, provided that the students cannot be contacted, should be the surety. In the event that the Attorney General's Chambers are unable to pursue this initiative with the uttermost urgency and follow through as needed, we recommend that the possibility of outsourcing this task be considered.

Agree/Disagree	Agree
Corrective action planned	1. Discussions with personnel in the Attorney General Chambers. 2. An Officer be assigned to review and audit delinquent recipients.
Anticipated completion date	Work in progress/ December 2009
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Ag. Assistant Secretary, ME&C 3. Attorney General Chambers

9.4. A weighted criterion for the selection of scholarship recipients should also be put in place. The current system is very subjective and leaves room for concerns to be raised as to why certain awards were given. The implementation of a criterion and ranking system will bring the much needed transparency to the process.

Agree/Disagree	Agree
Corrective action planned	1. Scholarship Committee will discuss the criterion for submission to the Scholarship Review Committee for inclusion in the Scholarship Policy.
Anticipated completion date	September 1, 2009
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Ag. Assistant Secretary, ME&C (Scholarship Manager) 3. Scholarship Committee Chairperson 4. Scholarship Review Committee

9.5. It is recommended that the Ministry maintain clear documentation on how decisions in relation to the awarding of scholarships are done and that the Scholarship Committee ensures that:

9.5.1. Applications are ranked against a selection criterion. Each member of the Committee should separately rank each application and then meet to deliberate and award scholarships to successful applicants.

9.5.2. Selection criteria are to be weighted, giving greater emphasis (weight) to those areas that contribute greatly to the decision making process.

9.5.3. Minutes of meetings are prepared in a timely manner and certified by the Chairperson.

Agree/Disagree	Agree
Corrective action planned	1. Work in progress 2. Further discussion of process with the Scholarship Committee.
Anticipated completion date	July, 2009
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Scholarship Committee, Chairperson 3. Ag. Assistant Secretary, ME&C (Scholarship Manager)

9.6. It is recommended that the Scholarship Unit be adequately staffed as the current human resources is insufficient to carry out all the necessary functions needed to ensure that the programme is governed properly. In addition, the current staffing level does not facilitate for separation of duties where such separation is required.

Agree/Disagree	Agree
Corrective action planned	1. Reassignment of duties within the Ministry 2. Appointment of additional officers to the Scholarship Unit
Anticipated completion date	November 2009
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Human Resources Manager, ME&C

9.7 It is important that a database be implemented as soon as possible as this will assist in helping the unit to monitor students' activity and funding. Therefore, we recommend that in the interim that a excel spreadsheet be prepared until the program requested from the Department of Information Technology is received.

Agree/Disagree	Agree
Corrective action planned	1. Spreadsheet already implemented and utilized 2. Scholarship Database presently being formulated by the Department of Information Technology
Anticipated completion date	June 2009
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Assistant Secretary, ME&C (Scholarship Manager) 3. Ms. Birney Christopher, (DOIT)

9.8 Proper close out procedures are needed once students have completed their studies and fulfilled their bonding obligations.

Agree/Disagree	Agree
Corrective action planned	1. Student files will remain active until bonding obligation is completed with periodic updates on student status.
Anticipated completion date	Work in progress
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Ag. Assistant Secretary, ME&C (Scholarship Manager)

9.9 It is recommended that all bonds be signed by the recipient and the surety before financial disbursements are made. In instances, where a revised bond is necessary and the recipient is not available to sign, it is recommended that at least the surety be made to sign and the recipient sign at his/her earliest convenience. We strongly discourage, due to legal ramifications, the current practice of the bond remaining unsigned for extended periods.

Agree/Disagree	Agree
Corrective action planned	1. Student bonds signed before disbursements 2. Bonds executed overseas and notarized where necessary.
Anticipated completion date	Work in progress
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Ag. Assistant Secretary, ME&C (Scholarship Manager 3. Senior Executive Officer, ME&C

9.10 It is recommended that a policy be established to put limits on the number of bond revisions and the maximum percentage an award can be augmented.

Agree/Disagree	Agree
Corrective action planned	1. The above is one of the terms of reference for the Scholarship Review Committee. As such they will suggest way for future implementation to address the problem.
Anticipated completion date	September, 2009
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Ag. Assistant Secretary ME&C (Scholarship Manager)

9.11 It is recommended that scholarships not be awarded before and without an application being submitted prior to the award.

Agree/Disagree	Agree
Corrective action planned	1. Terms of Reference of the Scholarship Review Committee
Anticipated completion date	September, 2009
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Ag. Assistant Secretary ME&C (Scholarship Manager)

9.12 It is recommended that the Ministry establish a specific number of scholarships that will be awarded each year and adopt this as part of the policy.

Agree/Disagree	Disagree
Corrective action planned	1. Based on the budgetary allocations and priority needs of the Territory these will be determined. However, we strive to maintain a figure of 30 scholarships per year. 2. Further research and analysis of the Territory's labour needs. 3. Cabinet Paper submitted for approval of these findings.
Anticipated completion date	January 2010
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Ag. Assistant Secretary ME&C (Scholarship Manager)

9.13 It is recommended that the Ministry undertake a "National Skills Survey" as a matter of urgency and use the results to improve the scholarship programme for the benefit of the entire country.

Agree/Disagree	Agree
Corrective action planned	1. The implementation of a broad based committee of the relevant industries and Government departments to address this issue.
Anticipated completion date	December 2009
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Ag. Assistant Secretary ME&C (Scholarship Manager) 3. Other Government Departments, Private Industry and Statutory Bodies, especially the D.P.U.

9.14 It is recommended that before deferrals are granted that students provide the school and school's contact information at which they will be continuing their studies. In the event they are using the time to pursue work-related experience, the name of their employer and other documentation should also be obtained before the deferral is granted.

Agree/Disagree	Agree
Corrective action planned	1. The development of the Scholarship Policy which should be distributed to all students in the format of a Student Handbook.
Anticipated completion date	October 2009
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Ag. Assistant Secretary ME&C (Scholarship Manager)

9.15 It is recommended that a thorough review of the current draft policy be undertaken before approval and implementation are done. Consideration and revision of policies that were previously adopted but have proven too difficult to enforce and unrealistic should be done at this juncture. For example, the policy of students repaying funds for courses failed. As stated, the current scholarship award is insufficient to cover the entire cost of the students' tuition and board and other expenses. As the policy currently stands, it is difficult to implement seeing that students have to bear a portion of their study costs.

Agree/Disagree	Agree
Corrective action planned	1. Terms of Reference of the Scholarship Review Committee
Anticipated completion date	December, 2009
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Ag. Assistant Secretary ME&C (Scholarship Manager)

9.16 In the long term, it is recommended that Government consider merging the Study Leave Programme administered by Training Division and the scholarship programme administered by the Ministry of Education into one "National Training and Scholarship Unit". By doing so, more focus would be achieved towards national development. Such a move could also assist with the human resource deficiencies currently plaguing the Scholarship Unit.

Agree/Disagree	Disagree
Corrective action planned	1. The policy for Government trained officers' needs to be revised. 2. Nationals should be able to be trained in the twin pillars of our economy and work in the Territory. 3. The implementation of a broad based committee of the Government departments to review the feasibility of implementing such a process.
Anticipated completion date	December 2009
Names(s) of contact person(s) responsible for corrective action	1. Permanent Secretary, ME&C 2. Ag. Assistant Secretary ME&C (Scholarship Manager)

INTERNAL AUDIT UNIT



FOLLOW-UP AUDIT REVIEW

Scholarship Administration
Ministry of Education and Culture
2003-2008

September 2010

TABLE OF CONTENTS

INTRODUCTION **3**
RECOMMENDATION 1: PARTIALLY IMPLEMENTED **3**
ACTION TAKEN 3
RECOMMENDATION 2: PARTIALLY IMPLEMENTED **4**
ACTION TAKEN 4
RECOMMENDATION 3: IMPLEMENTED **4**
ACTION TAKEN 4
RECOMMENDATION 4: IMPLEMENTED **5**
ACTION TAKEN 5
RECOMMENDATION 5: IMPLEMENTED **5**
ACTION TAKEN 6
RECOMMENDATION 6: IMPLEMENTED **6**
ACTION TAKEN 6
RECOMMENDATION 7: IMPLEMENTED **6**
ACTION TAKEN 6
RECOMMENDATION 8: PARTIALLY IMPLEMENTED **7**
ACTION TAKEN 7
RECOMMENDATION 9: IMPLEMENTED **7**
ACTION TAKEN 7
RECOMMENDATION 10: NOT IMPLEMENTED **7**
ACTION TAKEN 8
RECOMMENDATION 11: PARTIALLY IMPLEMENTED **8**
ACTION TAKEN 8
RECOMMENDATION 12: PARTIALLY IMPLEMENTED **9**
ACTION TAKEN 8
RECOMMENDATION 13: NOT IMPLEMENTED **9**
ACTION TAKEN 9
RECOMMENDATION 14: PARTIALLY IMPLEMENTED **9**
ACTION TAKEN 10
RECOMMENDATION 15: PARTIALLY IMPLEMENTED **10**
ACTION TAKEN 10
RECOMMENDATION 16: NOT IMPLEMENTED **10**
ACTION TAKEN 10
CONCLUSION **11**
APPENDIX A
MANAGEMENT'S RESPONSE

INTRODUCTION

The Internal Audit Unit completed a follow-up review of the Scholarship Administration pursuant to an audit conducted in March 2009 ***(See Appendix A)***. In carrying out the follow-up exercise, a meeting was held with the Permanent Secretary, Ministry of Education and Culture and the Assistant Secretary responsible for the Scholarship Administration programme, to determine whether the audit recommendations were implemented and, if so, what effects, if any, have they had.

The Ministry has implemented a number of measures to address the weaknesses identified in the 2009 Report and to improve the efficiency of the programme. There were sixteen (16) recommendations that were provided, of these, six (6) were implemented, seven (7) partially implemented and three (3) not implemented.

RECOMMENDATION 1: PARTIALLY IMPLEMENTED

It is recommended that penalties be implemented and enforced for scholarship recipients who do not fully adhere to the requirements of their scholarship award and bond obligations.

ACTION TAKEN

The Scholarship Policy has undergone one revision but still remains in draft form. No timeframe was provided as to when Committee members would have their revisions completed. As a result, the Ministry's Scholarship Unit continues to operate by communicating the responsibilities of students through letters. Additionally, for new scholarship recipients an orientation session was held where students were informed of their responsibilities.

The Ministry's Scholarship Unit has also implemented a process to address the situation of students not fulfilling their bond obligation. An officer within the Unit has been given the responsibility of conducting a five (5) year assessment audit of students' files for students who should have completed their studies. This exercise is being done in an effort to determine the employment status of these students. The BVI Social Security Board, Inland Revenue Department and the Department of Human Resources are the agencies that were contacted. As of the time of this review no response was received from these agencies and no timeframe was provided as to when a response would be required so that the next phase of this exercise can continue.

FOLLOW-UP RECOMMENDATION

It is recommended that a reasonable time frame be communicated to these agencies so that the process does not become drawn out and thus the information provided considered obsolete.

RECOMMENDATION 2: PARTIALLY IMPLEMENTED

It is further recommended that policies and procedures be implemented urgently in the form of a policy and a procedural manual. The policy and procedural manual should cover all aspects that relate to scholarship administration. Once implemented, strict adherence and enforcement of policies should be followed to ensure that transparency and equity governs the programme's administration.

ACTION TAKEN

The Scholarship Policy has undergone one revision but remains in draft form. No time frame was provided as to when the revision and the completed document would be ready for submission to Cabinet for approval.

FOLLOW-UP RECOMMENDATION

A time frame should be devised as this document is essential to the governing of the operations of the Scholarship Programme and the Ministry's Scholarship Unit. This process should not be lengthy as the policy is long overdue.

RECOMMENDATION 3: IMPLEMENTED

It is recommended that a thorough review/audit of delinquent recipients' files for the past five (5) years be undertaken with a view of assessing repayment amounts for students that have failed to return to the territory to fulfill their bonds. The first point of contact, provided that the students cannot be contacted, should be the surety. In the event that the Attorney General's Chambers are unable to pursue this initiative with the uttermost urgency and follow through as needed, we recommend that the possibility of outsourcing this task be considered.

ACTION TAKEN

The first step in this process has commenced. A Senior Officer within the Ministry has been assigned to conduct a review of all students' files and has generated a list of students that should have completed their studies within the past five (5) years. Requests for information pertaining to the employment status of these students has been requested from three (3) crucial employment agencies within the territory, namely, BVI Social Security Board, Inland Revenue Department and the Department of Human Resources. However, no timeframe was provided as to when the Ministry expects a response from these agencies so that the next course of action can be implemented.

FOLLOW-UP RECOMMENDATION

It is recommended that the Ministry does not become lax in monitoring this exercise. A reasonable time frame should be communicated to the agencies contacted in an effort to ensure that the request is not neglected or overlooked.

RECOMMENDATION 4: IMPLEMENTED

A weighted criterion for the selection of scholarship recipients should also be put in place. The current system is very subjective and leaves room for concerns to be raised as to why certain awards were given. The implementation of a criterion and ranking system will bring the much needed transparency to the process.

ACTION TAKEN

The Ministry has implemented a three (3)-tier system where student applications are ranked before being considered for awards. The tiers are described as follows:

- Tier 1 represents – Applicant who meets all the criteria requirements to be considered for a scholarship award.
- Tier 2 – Applicant who does meet one of the criteria requirement needed to receive a scholarship award.
- Tier 3 – Applicants whose application package omits more than one of the criteria requirements needed.

Additionally, an interview questionnaire has also been formulated and implemented for Committee Members to use while interviewing applicants. Thereby adding standardization to the application and interviewing process.

RECOMMENDATION 5: IMPLEMENTED

It is recommended that the Ministry maintains clear documentation on how decisions in relation to the awarding of scholarships are done and that the Scholarship Committee ensures that:

1. Applications are ranked against a selection criterion. Each member of the Committee should separately rank each application and then meet to deliberate and award scholarships to successful applicants.

2. Selection criteria are to be weighted, giving greater emphasis (weight) to those areas that contribute greatly to the decision making process.

3. Minutes of meetings are prepared in a timely manner and certified by the Chairperson.

ACTION TAKEN

The Scholarship Unit has implemented a three (3)-tier ranking system for evaluating students' applications before they are submitted to the Committee. Additionally, an interview questionnaire has also been implemented. Minutes of interview sessions held are prepared for all applicants and are filed on the Ministry's file.

RECOMMENDATION 6: IMPLEMENTED

It is recommended that the Scholarship Unit be adequately staffed as the current human resources is insufficient to carry out all the necessary functions needed to ensure that the programme is governed properly. In addition, the current staffing level does not facilitate for seperation of duties where such separation is required.

ACTION TAKEN

Two (2) administrative personnel have been added to the Scholarship Unit. Clerical officers within the Ministry also provide support services to the Unit as needed. The Unit currently has four (4) officers dedicated to the function. In addition, the Finance and Planning Officer and the Accounts Unit handle all requests pertaining to scholarship funding. This current staffing structure provides the level of separation of duty needed within the Unit.

RECOMMENDATION 7: IMPLEMENTED

It is important that a database be implemented as soon as possible as this will assist in helping the unit to monitor students' activity and funding. Therefore, we recommend that in the interim that an excel spreadsheet be prepared until the program requested from the Department of Information Technology is received.

ACTION TAKEN

The Ministry implemented two systems in response to this recommendation. The Department of Information Technology had initiated a database within the JDEdwards system and has also conducted training sessions on maintaining the database with Ministry staff. However, it was stated that the Unit has faced some challenges in using this system as the system is not very user friendly. In the interim an excel spreadsheet was prepared to monitor student activity.

FOLLOW-UP RECOMMENDATION

It is recommended that if the database provided on the JDEdwards system does not prove functional for the Unit, the possibility of sourcing a different system be explored.

RECOMMENDATION 8: PARTIALLY IMPLEMENTED

Proper close out procedures are needed once students have completed their studies and fulfilled their bonding obligations.

ACTION TAKEN

The Ministry has commenced addressing this weakness that was identified. The following steps have been taken:

- A review of student files the past from five (5) yeas has been undertaken in an effort to determine the employment status of students who should have completed their studies and should be fulfilling their bond obligations.
- An employment placement form was introduced to assist students who will be completing their degree within six (6) months with finding employment within the Government service. This information is then passed on to the Department of Human Resources who will assist in trying to find placement for the student.
- The Scholarship Unit has also requested that the Department of Human Resources carbon copy the Ministry on appointment letters for those students who were scholarship recipients and who received employment within the service.

RECOMMENDATION 9: IMPLEMENTED

It is recommended that all bonds be signed by the recipient and the surety before financial disbursements are made. In instances, where a revised bond is necessary and the recipient is not available to sign, it is recommended that at least the surety be made to sign and the recipient sign at his/her earliest convenience. We strongly discourage, due to legal ramifications, the current practice of the bond remaining unsigned for extended periods.

ACTION TAKEN

In reviewing a sample twenty (20) student files from the current list of scholarship recipients, it was discovered that all students receiving scholarships for 2010 have bond documents that were signed by the surety and the student. Additionally, this was done before any funds were distributed to student. Some of the documents are however awaiting the signature of the then Acting Governor, but were in the process of being submitted for signature.

Additionally, the Ministry also sought the advice of the High Court on the approach they should follow in having students sign bonds overseas.

RECOMMENDATION 10: NOT IMPLEMENTED

It is recommended that a policy be established to put limits on the number of bond revisions and the maximum percentage an award can be augmented.

ACTION TAKEN

In our discussion it was communicated that this problem is most prevalent with medical students and to address this problem the Ministry has decided that those students who applied to study a science and then wish to continue their studies by medicine, has to reapply to the Ministry for a scholarship.

FOLLOW-UP RECOMMENDATION

The draft Scholarship Policy should contain a clause that addresses this issue.

RECOMMENDATION 11: PARTIALLY IMPLEMENTED

It is recommended that scholarships not be awarded before and without an application being submitted prior to the award.

ACTION TAKEN

The Scholarship Unit/Committee ensures that all persons desiring to obtain a Government Scholarship submits the appropriate application form with supporting documentation before evaluating applications. From examining a sample twenty (20) student files of the 2010 scholarship recipients it was discovered that this is the practice.

Applicants, once they pass through the ranking and interviewing processes, are submitted to Cabinet for approval. Cabinet remains the ultimate decision maker in determining who receives scholarship awards. Consequently, there continues to be cases where persons who have not submitted an application or any supporting documentation but are approved by Cabinet for awards. Contrary to the procedures already in place, Cabinet sanctions the approval of these 'exceptional awards' pending the submission of the relevant documents required by the Scholarship Committee. In essence these awards are not based on any merit and defeat the purpose of the Unit/Committee evaluating applications. This practice removes the transparency and consistency needed within the process.

FOLLOW-UP RECOMMENDATION

It is important that it be communicated to Cabinet the need for transparency within the process and the purpose for which the Scholarship Committee has been established. We recommend that the

Ministry/Scholarship Unit advise members on the need to have transparency and consistency across all individuals desiring to obtain a scholarship award.

RECOMMENDATION 12: PARTIALLY IMPLEMENTED

It is recommended that the Ministry establish a specific number of scholarships that will be awarded each year and adopt this as part of the policy.

ACTION TAKEN

The Permanent Secretary and Assistant Secretary indicated that an estimate of thirty (30) to forty (40) scholarship awards are granted each year, although there is no policy in place that governs this decision. As stated in other responses, the final decision rests with Cabinet, so the possibility exists where the amount granted may exceed the established threshold. In such instances, they stated that Cabinet would provide and identify the necessary funding for those awards and no awards would be granted until funding is secured.

RECOMMENDATION 13: NOT IMPLEMENTED

It is recommended that the Ministry undertake a "National Skills Survey" as a matter of urgency and use the results to improve the scholarship programme for the benefit of the entire country.

ACTION TAKEN

It was discussed that this recommendation poses some challenge to implement. The Ministry expressed their concerns relating to the Ministry's skills and expertise in undertaking such a study. They stated that the extensive study would require individuals with the requisite skills and expertise to spearhead. It was suggested that the Development Planning Unit will be the appropriate unit to facilitate this study.

FOLLOW-UP RECOMMENDATION

The Audit Team agrees and therefore recommends that the Ministry in collaboration with the Training Division seek the assistance of the Development Planning Unit on the possibility of undertaking such a study.

RECOMMENDATION 14: PARTIALLY IMPLEMENTED

It is recommended that before deferrals are granted students should provide the school and school's contact information at which they will be continuing their studies. In the event they are using the time to pursue work-related experience, the name of their

employer and other documentation should also be obtained before the deferral is granted.

ACTION TAKEN

The Ministry's Scholarship Unit ensures that students are made aware that their contact information is needed on file when the approval for an extension or a deferral of their scholarship/bond obligation is granted.

RECOMMENDATION 15: PARTIALLY IMPLEMENTED

It is recommended that a thorough review of the current draft policy be undertaken before approval and implementation are done. Consideration and revision of policies that were previously adopted but have proven too difficult to enforce and unrealistic should be done at this juncture. For example, the policy of students repaying funds for courses failed. As stated, the current scholarship award is insufficient to cover the entire cost of the students' tuition and board and other expenses. As the policy currently stands, it is difficult to implement seeing that students have to bear a portion of their study costs.

ACTION TAKEN

The Scholarship Policy is presently in draft form but has undergone one revision. A timeframe was not provided as to when Committee members would have their revisions complete so that the policy can be finalized.

FOLLOW-UP RECOMMENDATION

It is recommended that a time frame be determined in order to ensure that the process does not become too lengthy.

RECOMMENDATION 16: NOT IMPLEMENTED

In the long term, it is recommended that Government consider merging the Study Leave Programme administered by Training Division and the scholarship programme administered by the Ministry of Education into one "National Training and Scholarship Unit". By doing so, more focus would be achieved towards national development. Such a move could also assist with the human resource deficiencies currently plaguing the Scholarship Unit.

ACTION TAKEN

The Ministry is of the viewpoint that this move is needed; however, the ultimate decision to implement this structure cannot be made at the Assistant Secretary or Permanent Secretary level.

CONCLUSION

The Ministry of Education and Culture's Scholarship Unit has taken a number of steps to address the majority of weaknesses identified in the Audit Report of March 2009. The Unit may not be at the optimal juncture but the Audit team is satisfied with the level of progress they have achieved. Requisite guidelines, that were needed to standardize and add transparency to the process, were implemented along with the addition of administrative staff to improve the efficiency and effectiveness of the Unit.

The Audit team is also mindful that students are equally responsible for fulfilling the obligations of their scholarship award. However, it is important that students are continuously made aware of their responsibilities and where there are any shortcomings, if a penalty exists, the penalty is enforced.

It is also essential that timeframes be set for any new initiative the Unit desire to undertake and most importantly for the implementation of the Scholarship Policy. Additionally, continuous evaluation of the programme is crucial, in order to ensure that the improvements undertaken to address risks associated with the administering of programme are continuously monitored and any new risk addressed or eliminated.

APPENDIX A

RECOMMENDATIONS

9.1 It is recommended that penalties be implemented and enforced for scholarship recipients who do not fully adhere to the requirements of their scholarship award and bond obligations.

Agree/Disagree	**AGREED.**
Corrective action planned	Presently being reviewed by the Cabinet approved Scholarship Review Committee for recommendation. Once approved by Cabinet this will be implemented as a part of the Scholarship Policy.
Anticipated completion date	September 1, 2009.
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C

9.2 It is further recommended that policies and procedures be implemented urgently in the form of a policy and a procedural manual. The policy and procedural manual should cover all aspects that relates to scholarship administration. Once implemented, strict adherence and enforcement of policies should be followed to ensure that transparency and equity governs the programme's administration.

Agree/Disagree	**AGREED.**
Corrective action planned	Presently being reviewed by the Cabinet approved Scholarship Review Committee for recommendation. Once approved by Cabinet this will be implemented as a part of the Scholarship Policy. A procedural manual will be a by-product of this policy.
Anticipated completion date	September 1, 2009.
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C

9.3 It is recommended that a thorough review/audit of delinquent recipients' files for the past five (5) years be undertaken with a view of assessing repayment amounts for students that have failed to return to the territory to fulfill their bonds. The first point of contact, provided that the students cannot be contacted, should be the surety. In the event that the Attorney General's Chambers are unable to pursue this initiative with the uttermost urgency and follow through as needed, we recommend that the possibility of outsourcing this task be considered.

Agree/Disagree	**AGREED.**
Corrective action planned	Discussions with personnel in the Attorney General Chambers An officer be assigned to review and audit delinquent recipients.
Anticipated completion date	Work in Progress/ December, 2009.
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C Attorney General Chambers

9.4 A weighted criterion for the selection of scholarship recipients should also be put in place. The current system is very subjective and leaves room for concerns to be raised as to why certain awards were given. The implementation of a criterion and ranking system will bring the much needed transparency to the process.

Agree/Disagree	**AGREED.**
Corrective action planned	Scholarship Committee will discuss the criterion for submission to the Scholarship Review Committee for inclusion in the Scholarship Policy.
Anticipated completion date	September 1, 2009
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C Scholarship Committee Chairperson Scholarship Review Committee

9.5 It is recommended that the Ministry maintain clear documentation on how decisions in relation to the awarding of scholarships are done and that the Scholarship Committee ensures that:

9.5.1 Applications are ranked against a selection criterion. Each member of the Committee should separately rank each application and then meet to deliberate and award scholarships to successful applicants.

9.5.2 Selection criteria are to be weighted, giving greater emphasis (weight) to those areas that contribute greatly to the decision making process.

9.5.3 Minutes of meetings are prepared in a timely manner and certified by the Chairperson.

Agree/Disagree	**AGREED.**
Corrective action planned	Work in progress. Further discussion of process with the Scholarship Committee.
Anticipated completion date	July 2009
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C Scholarship Committee Chairperson

9.6 It is recommended that the Scholarship Unit be adequately staffed as the current human resources is insufficient to carry out all the necessary functions needed to ensure that the programme is governed properly. In addition, the current staffing level does not facilitate for separation of duties where such separation is required.

Agree/Disagree	**AGREED.**
Corrective action planned	Reassignment of duties within the Ministry Appointment of additional officers to the Scholarship Unit.
Anticipated completion date	November 2009
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C

9.7 It is important that a database be implemented as soon as possible as this will assist in helping the unit to monitor students' activity and funding. Therefore, we recommend that in the interim that a excel spreadsheet be prepared until the program requested from the Department of Information Technology is received.

Agree/Disagree	**AGREED.**
Corrective action planned	Spreadsheet already implemented and utilized Scholarship database presently being formulated by the Department of Information Technology.
Anticipated completion date	June 2009
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C Birney Christopher (DOIT)

9.8 Proper close out procedures are needed once students have completed their studies and fulfilled their bonding obligations.

Agree/Disagree	**AGREED.**
Corrective action planned	Student files will remain active until bonding obligation is completed with periodic updates on student status.
Anticipated completion date	Work in Progress
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C

9.9 It is recommended that all bonds be signed by the recipient and the surety before financial disbursements are made. In instances, where a revised bond is necessary and the recipient is not available to sign, it is recommended that at least the surety be made to sign and the recipient sign at his/her earliest convenience. We strongly discourage, due to legal ramifications, the current practice of the bond remaining unsigned for extended periods.

Agree/Disagree	**AGREED.**
Corrective action planned	Student bonds signed before disbursements Bonds executed overseas and notarized where necessary.
Anticipated completion date	Work in Progress
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C Senior Executive Officer, ME&C

9.10 It is recommended that a policy be established to put limits on the number of bond revisions and the maximum percentage an award can be augmented.

Agree/Disagree	**AGREED.**
Corrective action planned	The above is one of the Terms of reference for the Scholarship Review Committee. As such they will suggest a way for future implementation to address the problem.
Anticipated completion date	September 2009
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C

9.11 It is recommended that scholarships not be awarded before and without an application being submitted prior to the award.

Agree/Disagree	**AGREED.**
Corrective action planned	Terms of Reference of the Scholarship Review Committee.
Anticipated completion date	September 2009
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C

9.12 It is recommended that the Ministry establish a specific number of scholarships that will be awarded each year and adopt this as part of the policy.

Agree/Disagree	**DISAGREE**
Corrective action planned	Based on budgetary allocation and priority needs of the territory these will be determined. However, we strive to maintain a figure of 30 scholarships per year. Further research and analysis of the Territory's labour needs Cabinet Paper submitted for approval of these findings.
Anticipated completion date	January 2010
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C

9.13 It is recommended that the Ministry undertake a "National Skills Survey" as a matter of urgency and use the results to improve the scholarship programme for the benefit of the entire country.

Agree/Disagree	**AGREED.**
Corrective action planned	The implementation of a broad based committee of the relevant industries and Government departments to address this issue.
Anticipated completion date	December 2009
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C Other Government Departments, Private Industry and Statutory Bodies especially DPU

9.14 It is recommended that before deferrals are granted that students provide the school and school's contact information at which they will be continuing their studies. In the event they are using the time to pursue work-related experience, the name of their employer and other documentation should also be obtained before the deferral is granted.

Agree/Disagree	**AGREED.**
Corrective action planned	The development of the Scholarship Policy which should be distributed to all students in the format of a Student Handbook.
Anticipated completion date	October 2009
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C

9.15 It is recommended that a thorough review of the current draft policy be undertaken before approval and implementation are done. Consideration and revision of policies that were previously adopted but have proven too difficult to enforce and unrealistic should be done at this juncture. For example, the policy of students repaying funds for courses failed. As stated, the current scholarship award is insufficient to cover the entire cost of the students' tuition and board and other expenses. As the policy currently stands, it is difficult to implement seeing that students have to bear a portion of their study costs.

Agree/Disagree	**AGREED.**
Corrective action planned	Terms of Reference of the Scholarship Review Committee
Anticipated completion date	December 2009
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C

9.16 In the long term, it is recommended that Government consider merging the Study Leave Programme administered by Training Division and the scholarship programme administered by the Ministry of Education into one "National Training and Scholarship Unit". By doing so, more focus would be achieved towards national development. Such a move could also assist with the human resource deficiencies currently plaguing the Scholarship Unit.

Agree/Disagree	**AGREED.**
Corrective action planned	The policy for Government trained officers' needs to be revised. Nationals should be able to train in the twin pillars of our economy and work in the Territory. The implementation of a broad based committee of Government departments to review the feasibility of implementing such a process.
Anticipated completion date	Work in Progress
Names(s) of contact person(s) responsible for corrective action	Permanent Secretary, ME&C Ag. Assistant Secretary, ME&C

MANAGEMENT'S RESPONSE

MINISTRY OF EDUCATION AND CULTURE
GOVERNMENT OF THE BRITISH VIRGIN ISLANDS

MEMORANDUM

FROM: Permanent Secretary, ME&C

TO: Director, Internal Audit

DATE: October 27, 2010

SUBJECT: **Draft Follow-up Audit Report – Scholarship Administration**

Attached herewith is the Ministry of Education and Culture's response to the Draft Follow-up Audit Report on the Scholarship Administration Programme.

Please accept my apologies for the late submission and know that I am most grateful for the extension granted on the initial deadline.

Thank you for accepting our input at this time and please do not hesitate to contact me if you require anything further.

[redacted]
Carolyn O'Neal (Ms.)
Permanent Secretary

/als

: Attachment(s)

RECEIVED
NOV 18 2010
INTERNAL AUDIT UNIT
ROAD TOWN, TORTOLA

Government of the British Virgin Islands, Central Administration Complex
33 Admin Drive, Road Town, TORTOLA VG1110 BRITISH VIRGIN ISLANDS
Tel.: 284-468-3701/468-0632 Fax: 284-468-0021 E-Mail: ME&C@gov.vg

RECOMMENDATIONS:

9.1. It is recommended that penalties be implemented and enforced for scholarship recipients who do not fully adhere to the requirements of their scholarship award and bond obligations.

Status:	Partially Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ The Scholarship Policy has undergone one revision but still remains in draft form. ▪ For new scholarship recipients an orientation session was held where students were informed of their responsibilities. ▪ Implemented a process to address the situation of students not fulfilling their bond obligation. An officer within the Unit has een given the responsibility of conducting a five year assessment audit of students' files for students who should have completed their studies. This exercise is being done in an effort to determine the employment status of these students. The BVI Social Security Board, Inland Revenue Department and the Department of Human Resources are the agencies contacted.
Follow-Up Recommendation (Internal Audit):	➢ It is recommended that a reasonable time frame be communicated to these agencies so that the process does not become drawn out and thus the information provided considered obsolete.
Agree/Disagree:	Agree
Ministry's Position on Follow-Up Recommendation:	▪ A follow-up correspondence will be forwarded to the agencies identified, noting a desired time frame for the submission of the information requested. A deadline of October 29, 2010 will be suggested for the submission of this information.

9.2. It is further recommended that policies and procedures be implemented urgently in the form of a policy and a procedural manual. The policy and procedural manual should cover all aspects that relates to scholarship administration. Once implemented, strict adherence and enforcement of policies should be followed to ensure that transparency and equity governs the programme's administration.

Status:	Partially Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ The Scholarship Policy has undergone one revision but remains in draft form. No time frame was provided as to when the revision and the completed document would be ready for submission to Cabinet for approval.
Follow-Up Recommendation (Internal Audit):	➢ A time frame should be devised as this document is essential to the governing of the operations of the Scholarship Programme and the Ministry's Scholarship Unit. This process should not be lengthy as the policy is long overdue.
Agree/Disagree:	Agree
Ministry's Position on Follow-Up Recommendations:	▪ Draft II of the Scholarship Review Policy will be finalized and submitted to the Minister and Permanent Secretary by October 21, 2010 for their input and consideration by the Scholarship Review Committee. ▪ Following which, it is anticipated that the Scholarship Review Committee will engage in further discussions with the Permanent Secretary and the Minister on the Draft II submission. ▪ Baring no indecisiveness, it is anticipated that the Scholarship Policy will be ratified by Cabinet by the end of December 2010.

9.3. It is recommended that a thorough review/audit of delinquent recipients' files for the past five (5) years be undertaken with a view of assessing repayment amounts for students that have failed to return to the Territory to fulfill their bonds. The first point of contact, provided that the students cannot be contacted, should be the surety. In the event that the Attorney General's Chambers are unable to pursue this initiative with the uttermost urgency and follow through as needed, we recommend that the possibility of outsourcing this task be considered.

Status:	Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ The first step in this process has commenced. A Senior Officer within has been assigned to conduct a review of all student's files and has generated a list of students that should have completed their studies within the past five years. Request for information pertaining to the employment status of these students has been requested from three (3) crucial employment agencies within the Territory, namely, BVI Social Security Board, Inland Revenue Department and the Department of Human Resources. However, no timeframe was provided as to when the Ministry expects a response from these agencies so that the next course of action can be implemented.
Follow-Up Recommendation (Internal Audit):	➢ It is recommended that the Ministry does not become lax in monitoring this exercise. A reasonable time frame should be communicated to the agencies contacted in an effort to ensure that the request is not neglected or overlooked.
Agree/Disagree:	Agree
Ministry's Position on Follow-Up Recommendation:	▪ A follow-up correspondence will be forwarded to the agencies identified, noting a desired time frame for the submission of the information requested. A deadline of October 29, 2010 will be suggested for the submission of this information.

9.4. A weighted criterion for the selection of scholarship recipients should also be put in place. The current system is very subjective and leaves room for concerns to be raised as to why certain awards were given. The implementation of a criterion and ranking system will bring the much needed transparency to the process.

Status:	Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ The Ministry has implemented a three (3)-tier system where student applications are ranked before being considered for awards. ▪ Additionally, an interview questionnaire has also been formulated and implemented for Committee Members to use while interviewing applicants. Thereby adding standardization to the application and interviewing process.

9.5. It is recommended that the Ministry maintain clear documentation on how decisions in relation to the awarding of scholarships are done and that the Scholarship Committee ensures that:

9.5.1. Applications are ranked against a selection criterion. Each member of the Committee should separately rank each application and then meet to deliberate and award scholarships to successful applicants.

9.5.2. Selection criteria are to be weighted, giving greater emphasis (weight) to those areas that contribute greatly to the decision making process.

9.5.3. Minutes of meetings are prepared in a timely manner and certified by the Chairperson.

Status:	Implemented
Corrective action plan taken by the Ministry (Internal Audit)	▪ The Scholarship Unit has implemented a three (3)-tier ranking system for evaluating students' applications before they are submitted to the Committee. Additionally, an interview questionnaire has also been implemented. Minutes of interview sessions held are prepared for all applicants and are filed on the Ministry's file.

9.6. It is recommended that the Scholarship Unit be adequately staffed as the current human resources is insufficient to carry out all the necessary functions needed to ensure that the programme is governed properly. In addition, the current staffing level does not facilitate for separation of duties where such separation is required.

Status:	Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ Two (2) administrative personnel have been added to the Scholarship Unit. Clerical officers within the Ministry also provide support services to the Unit as needed. The Unit currently has four (4) officers dedicated to the function. In addition, the Finance and Planning Officer and the Accounts Unit handle all requests pertaining to scholarship funding. This current staffing structure provides the level of separation of duty needed within the Unit.

9.7. It is important that a database be implemented as soon as possible as this will assist in helping the unit to monitor students' activity and funding. Therefore, we recommend that in the interim that a excel spreadsheet be prepared until the program requested from the Department of Information Technology is received.

Status:	Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ The Ministry has implemented two systems in response to this recommendation. The Department of Information Technology had initiated a database within the JDEdwards system and has also conducted training sessions on maintaining the database with Ministry staff. However, it was stated that the Unit has faced some challenges in using this system as the system is not very user friendly. In the interim an excel spreadsheet was prepared to monitor student activity.
Follow-Up Recommendation (Internal Audit):	➢ It is recommended that if the database provided on the JDEdwards system does not prove functional for the Unit, the possibility of sourcing a different system be explored.
Agree/Disagree:	Agree
Ministry's Response to Follow-Up Recommendations:	▪ Consideration will be given to the option of the possibility of sourcing a different system for this purpose. ▪ In the interim, attempts will be made to request the support of the Department of Information Technology in conducting additional training exercises with the current Scholarship Unit personnel, along with ensuring full compliance with the of the Scholarship Database User Manual to guide the everyday use of the system.

9.8. Proper close out procedures are needed once students have completed their studies and fulfilled their bonding obligations.

Status	Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ A review of student files the past from five (5) yeas has been undertaken in an effort to determine the employment status of students who should have completed their studies and should be fulfilling their bond obligations. ▪ An employment placement form was introduced to assist students who will be completing their degree within six (6) months with finding employment within the Government service. This information is then passed on to the Department of Human Resources who will assist in trying to find placement for the student. ▪ The Scholarship Unit has also requested that the Department of Human Resources carbon copy the Ministry on appointment letters for those students who were scholarship recipients and who received employment within the service.
Follow-Up Recommendation (Internal Audit):	None given.
Ministry's Continued Corrective Actions:	▪ Ongoing implementation of current activities. ▪ Discussions have already taken place with the Human Resources Department and other key stakeholders such as the Ministry of Natural Resources & Labour as well as the Department of Labour, mainly surrounding the implementation of a Workforce Planning & Management: National Scholars Integration Plan. It is hoped that this plan will assist in alleviating and addressing the issues relating to student integration within the Territory and the tracking of the fulfilment of student's bond obligations.

9.9. It is recommended that all bonds be signed by the recipient and the surety before financial disbursements are made. In instances, where a revised bond is necessary and the recipient is not available to sign, it is recommended that at least the surety be made to sign and the recipient sign at his/her earliest convenience. We strongly discourage, due to legal ramifications, the current practice of the bond remaining unsigned for extended periods.

Status:	Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ In reviewing a sample twenty (20) student files from the current list of scholarship recipients, it was discovered that all students receiving scholarships for 2010 have bond documents that were signed by the surety and the student. Additionally, this was done before any funds were distributed to student. Some of the documents are however awaiting the signature of the then Acting Governor, but were in the process of being submitted for signature. ▪ Additionally, the Ministry also sought the advice of the High Court on the approach they should follow in having students sign bonds overseas.

9.10. It is recommended that a policy be established to put limits on the number of bond revisions and the maximum percentage an award can be augmented.

Status:	Not Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ In our discussion it was communicated that this problem is most prevalent with medical students and to address this problem the Ministry has decided that those students who applied to study a science and then wish to continue their studies by medicine, has to reapply to the Ministry for a scholarship.
Follow-Up Recommendation (Internal Audit):	➢ The draft Scholarship Policy should contain a clause that addresses this issue.
Agree/Disagree:	Agree
Ministry's Response to Follow-Up Recommendations:	▪ Efforts would be made to ensure that this concern is addressed in the Scholarship Policy Document. Input would be sought from the Attorney General Chambers for proper implementation as well.

9.11. It is recommended that scholarships not be awarded before and without an application being submitted prior to the award.

Status:	Partially Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ The Scholarship Unit/Committee ensures that all persons desiring to obtain a Government Scholarship submits the appropriate application form with supporting documentation before evaluating applications. From examining a sample twenty (20) student files of the 2010 scholarship recipients it was discovered that this is the practice. ▪ Applicants, once they pass through the ranking and interviewing processes, are submitted to Cabinet for approval. Cabinet remains the ultimate decision maker in determining who receives scholarship awards. Consequently, there continues to be cases where persons who have not submitted an application or any supporting documentation but are approved by Cabinet for awards. Contrary to the procedures already in place, Cabinet sanctions the approval of these 'exceptional awards' pending the submission of the relevant documents required by the Scholarship Committee. In essence these awards are not based on any merit and defeat the purpose of the Unit/Committee evaluating applications. This practice removes the transparency and consistency needed within the process.
Follow-Up Recommendation (Internal Audit):	➢ It is important that it be communicated to Cabinet the need for transparency within the process and the purpose for which the Scholarship Committee has been established. We recommend that the Ministry/Scholarship Unit advise members on the need to have transparency and consistency across all individuals desiring to obtain a scholarship award.
Agree/Disagree:	Disagree
Ministry's Response to Follow-up Recommendations:	▪ With the review and implementation of the Scholarship Policy, it is hoped that Cabinet would realize the important role that the Scholarship Programme and by extension the Scholarship Committee plays in building the training needs of the Territory. However, while the Scholarship Committee acts as the recommending agency for the selection of scholarship awards, the Cabinet acts as the final authority on all matters regarding the awarding of Government scholarships.

9.12. It is recommended that the Ministry establish a specific number of scholarships that will be awarded each year and adopt this as part of the policy.

Status:	Partially Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ The Permanent Secretary and Assistant Secretary indicated that an estimate of thirty (30) to forty (40) scholarship awards are granted each year, although there is no policy in place that governs this decision. As stated in other responses, the final decision rests with Cabinet, so the possibility exists where the amount granted may exceed the established threshold. In such instances, they stated that Cabinet would provide and identify the necessary funding for those awards and no awards would be granted until funding is secured.
Follow-Up Recommendation (Internal Audit):	None given
Ministry's Continued Corrective Actions:	▪ For planning purposes, an estimate of 35 scholarship awards would be given as a recommended number in a given a calendar year, which should be outlined in the Scholarship Policy document. This number would then be broken down proportionate to the training needs of the Territory.

9.13. It is recommended that the Ministry undertake a "National Skills Survey" as a matter of urgency and use the results to improve the scholarship programme for the benefit of the entire country.

Status:	Not Implemented/ No longer Required
Corrective action plan taken by the Ministry (Internal Audit):	▪ It was discussed that this recommendation poses some challenge to implement. The Ministry expressed their concerns relating to the Ministry's skills and expertise in undertaking such a study. They stated that the extensive study would require individuals with the requisite skills and expertise to spearhead. It was suggested that the Development Planning Unit will be the appropriate unit to facilitate this study.
Follow-Up Recommendation (Internal Audit):	➢ The Audit Team agrees and therefore recommends that the Ministry in collaboration with the Training Division seek the assistance of the Development Planning Unit on the possibility of undertaking such a study.
Agree/Disagree:	Agree
Ministry's Position on Follow-Up Recommendation:	▪ In an Exploratory Meeting held regarding the Returning Graduates Integration/ Employment Plan, discussions were held regarding a National Skills Survey being conducted. The Permanent Secretary in the Ministry of Natural Resources and Labour noted that this was one of his Ministry's mandates for 2010 and efforts would be made to secure the necessary funding and carry out this activity in collaboration with the Development Planning Unit.

9.14. It is recommended that before deferrals are granted that students provide the school and school's contact information at which they will be continuing their studies. In the event they are using the time to pursue work-related experience, the name of their employer and other documentation should also be obtained before the deferral is granted.

Status:	Partially Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ The Ministry's Scholarship Unit ensures that students are made aware that their contact information is needed on file when the approval for an extension or a deferral of their scholarship/bond obligation is granted.
Follow-Up Recommendation (Internal Audit):	None given
Ministry's Continued Corrective Actions:	▪ Efforts would be made to ensure that this stipulation is outlined as a part of the process for approval in the Scholarship Policy soon to be implemented.

9.15. It is recommended that a thorough review of the current draft policy be undertaken before approval and implementation are done. Consideration and revision of policies that were previously adopted but have proven too difficult to enforce and unrealistic should be done at this juncture. For example, the policy of students repaying funds for courses failed. As stated, the current scholarship award is insufficient to cover the entire cost of the students' tuition and board and other expenses. As the policy currently stands, it is difficult to implement seeing that students have to bear a portion of their study costs.

Status:	Partially Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ The Scholarship Policy is presently in draft form but has undergone one revision. A timeframe was not provided as to when Committee members would have their revisions complete so that the policy can be finalized.
Follow-Up Recommendation (Internal Audit):	➢ It is recommended that a time frame be determined in order to ensure that the process does not become too lengthy.
Agree/Disagree:	Agree
Ministry's Position on Follow-Up Recommendation:	▪ Draft II of the Scholarship Review Policy will be finalized and submitted to the Minister and Permanent Secretary by October 21, 2010 for their input and consideration by the Scholarship Review Committee. ▪ Following which, it is anticipated that the Scholarship Review Committee will engage in further discussions with the Permanent Secretary and the Minister on the Draft II submission. ▪ Baring no indecisiveness, it is anticipated that the Scholarship Policy will be ratified by Cabinet by the end of December 2010.

9.16. In the long term, it is recommended that Government consider merging the Study Leave Programme administered by Training Division and the scholarship programme administered by the Ministry of Education into one "National Training and Scholarship Unit". By doing so, more focus would be achieved towards national development. Such a move could also assist with the human resource deficiencies currently plaguing the Scholarship Unit.

Status:	Not Implemented
Corrective action plan taken by the Ministry (Internal Audit):	▪ The Ministry is of the viewpoint that this move is needed; however, the ultimate decision to implement this structure cannot be made at the Assistant Secretary or Permanent Secretary level.
Follow-Up Recommendation (Internal Audit):	None given
Ministry's Continued Corrective Actions:	▪ Further discussions will be held with the Minister and the Deputy Governor for this recommendation to be taken forward and properly implemented through the relevant authority.

IN THE MATTER OF THE TERRITORY OF THE VIRGIN ISLANDS COMMISSION OF INQUIRY 2021

AND THE COMMISSION OF INQUIRY ACT (CAP 239) (THE 'ACT')

THIRD AFFIDAVIT OF JEREMIAH FRETT

I, Jeremiah Frett of Major Bay, Tortola, Financial Secretary, **MAKE OATH** and **SAY** as follows:

Introduction

1. I am the Acting Financial Secretary of the Ministry of Finance (the '**Ministry**') in the Government of the British Virgin Islands. I have served in this capacity effective 1 January 2021 and I make this Affidavit from facts within my own knowledge that are true or are without my own direct knowledge but are true to the best of my knowledge, information and belief, the sources of which are identified.

2. I make this Affidavit as a result of the letter sent to me on 17 June 2021 by Ms Rhea Harrikissoon, Solicitor to the Commission of Inquiry (the '**COI**') (the '**Request**') in relation to the assistance grants distributed to constituents ('**Assistance Grants**').

3. As I am not involved in the decision as to whether applications for Assistance Grants ('**Applications**') are granted or refused, I am unable to provide the information requested at points 4 to 8 at page 2 of the Request.

4. My response in relation to points 1 to 3 at page 2 of the Request is set out below.

Payment of funds for Assistance Grants

5. I do not play any role in assessing whether Applications should be granted or refused. As far as I am aware and as I detail below, payment documents including an approved Application form, purchase order and voucher are submitted to the Treasury to enable a person who has made an Application (an '**Applicant**') to be paid.

6. The Clerk of the House of Assembly (the '**Clerk**') manages the supply vote for assistance grants (the '**Assist Grant Vote**') being the total sum appropriated out of the Consolidated Fund, which is the Fund established by section 102 of the Virgin Islands (Constitution) Order, 2007) which is available in the accounting system on a monthly basis. The Clerk's office accesses the Assist Grants Vote by issuing a purchase order ('**Purchase Order**'). The issuance of a Purchase Order is governed by the Public Finance Management Regulations, 2005. Copies of the aforementioned Regulations and their subsequent amendments in 2007 and 2020 are exhibited at pages 1-101 of Exhibit 'JF-5'.

7. Following the issuance and approval of a Purchase Order by the Clerk, a voucher and payment documents requesting payment to an Applicant are sent to the Treasury. For the avoidance of doubt, I confirm that the Ministry does not approve the Purchase Orders.

8. Once the Treasury has approved the disbursement of funds, the Ministry no longer has any involvement in the transfer of funds to the Applicant.

Funds allocated for Assistance Grants

9. The initial amount allotted in respect of Assistance Grants to all House of Assembly members collectively ('**Members**'), on an annual basis, is usually US$ 1,725,000 as indicated below in table 1.

Table 1

Representative	Allotment
Representative 1	125,000.00
Representative 2	125,000.00
Representative 3	125,000.00
Representative 4	125,000.00
Representative 5	125,000.00
Representative 6	125,000.00
Representative 7	125,000.00
Representative 8	125,000.00
Representative 9	125,000.00
Territorial Rep. 1	150,000.00
Territorial Rep. 2	150,000.00
Territorial Rep. 3	150,000.00
Territorial Rep. 4	150,000.00
Total	**1,725,000.00**

10. It must be noted that funds are made available to the Members on a quarterly basis (i.e. a quarter of their annual allocation every 3 months). However, the Members through the Clerk may request for the funds allocated to them to be made available more frequently, for example, on a monthly basis.

11. Additional amounts to be allocated in respect of Assistance Grants may be approved by Cabinet during the year via a supplementary appropriation as reflected in the table exhibited at page 102 of Exhibit 'JF-5'. This table also sets out the amounts made available to Members to distribute as Assistance Grants in the last 2 years.

12. Copies of the Cabinet papers, decisions and resolutions from 2018 to date approving the provision of additional amounts for the Assistance Grants are exhibited at pages 103-357 of Exhibit 'JF-5'.

13. In 2019, the Virgin Islands had a general election. The newly elected Government allocated US$2,741,610 for Assistance Grants, which exceeded the normal initial allotment of US$ 1,725,000 by US$626,610.

Affirmed
~~Sworn~~ by: Jeremiah Frett)

On 9th July 2021)

At Ministry of Finance)
Qwomar #2, 2nd Floor
Blackburn Highway
Tortola

[redacted]

Jeremiah Frett

Before me: [redacted]

Lisa Penn-Hettsome
~~Notary~~/Commissioner of Oaths

British Virgin Islands

Jeremiah Frett
Third
9th July 2021
Exhibit 'JF-5'

IN THE MATTER OF THE TERRITORY OF THE VIRGIN ISLANDS COMMISSION OF INQUIRY 2021

AND THE COMMISSION OF INQUIRY ACT (CAP 239) (THE 'ACT')

THIRD AFFIDAVIT OF JEREMIAH FRETT

IN THE MATTER OF THE TERRITORY OF THE VIRGIN ISLANDS COMMISSION OF INQUIRY 2021

AND THE COMMISSION OF INQUIRY ACT (CAP 239) (THE 'ACT')

SECOND AFFIDAVIT OF PHYLLIS EVANS

I, Phyllis Evans of Road Town, Tortola, Clerk of the House of Assembly **AFFIRM** and **SAY** as follows:

Introduction

1. I am the Clerk to the House of Assembly of the Virgin Islands (the 'HoA'). I have served in this capacity since 9th February, 2009 and I make this affidavit from facts within my own knowledge and are true or are without my own direct knowledge but are true to the best of my knowledge, information and belief, the sources of which are identified.

2. I make this Affidavit from facts within my own knowledge and are true or are without my own direct knowledge but are true to the best of my knowledge, information and belief, the sources of which are identified.

3. I make this affidavit further to the Commission of Inquiry's letter of request dated 17 June 2021, which directed that I "provide written witness evidence in the form of an affidavit addressing the matters set out below in respect of the Government's annual provision of $125,000 or $150,000 funds given to elected Members of the HoA to distribute under a scheme known as assistance grants to distribute to constituents" (the **Request**').

4. At the outset, I should further say that in this Affidavit, where I mention a document, that does not waive any privilege asserted in respect of it.

5. I shall refer in this Affidavit to the exhibit marked 'PE-2', which is a paginated bundle of documents. References to page numbers in this Affidavit are references to the relevant pages of 'PE-2'.

6. I should state at the outset that the reference to "Assistance Grants scheme" in page two of the Request is inaccurate, the appropriate reference is "Assistance Grants" as listed in the Budget Estimates.

Application process for Assistance Grants

7. The practice of Assistance Grants has existed for over (20) years. Typically, members of the public or constituents who may need assistance from time to time contact their elected representative. The practice has been that the constituents fill out a form stating their request for funds, accompanied by any supporting documents as required (the '**Application**'). The form is then

submitted to the respective Member of the HoA (the 'Member') who considers the Application and if approved, will forward it to me for processing.

8. Upon receipt, I review the application as well as the supporting documents to ensure that all the relevant information has been provided, before forwarding the request to the accounts unit in the office of the HoA for processing. The accounts officer(s) would enter the information provided in the accounts electronic system (Oracle JD Edwards) and a Local Purchase Order (LPO) and a Voucher is generated, then printed. Once that is done, the documents submitted are attached to the LPO and Voucher. The Clerk or the Deputy Clerk sign the LPO and the Voucher which is then sent to the Treasury Department with the attached documents for processing of payment. The cheques are returned to the Office of the HoA, after which they are logged and distributed to the respective Ministry or departments for distribution.

9. When an application is refused, rejected or otherwise returned to the Member, copies of the Application are not retained in the office.

10. An applicant can apply to more than one HoA member for Assistance Grants. The merits of each Application will be considered based on the need of that individual applicant. The availability of funds will be considered in determining if the Application is approved. Where an applicant submits an identical Application to more than one HoA Member, only one Application will be approved depending on the merits of the request.

Funds allocated for Assistance Grants

11. Assistance Grants are made available to Members of the HoA upon approval of an Application, subject to the total amount allocated to each Member for such grants in the Budget Estimates. Generally, the amount of funds allocated in the annual Budget Estimates for Members are:

    a. District Representatives - $125,000.00 each; and
    b. Members at large - $150,000.00 each.

12. In the last two (2) years the same amount of funds has been made available to Members. An additional sum of $390,000.00 was allocated to all Members for 2019 and an additional sum of $1,300,000.00 was allocated to all Members in November 2020. The Minister of Finance approved the funds. I received the directive from the Ministry of Finance.

Guidelines/Criteria for distribution of Assistance Grants

13. A copy of the Guidelines for the Assistance Grants application is hereto exhibited at pages 1-2 of Exihibit 'PE-2'. I do not know when the guidelines were published. Members are usually given the Guidelines after being sworn in as Members of the HoA.

14. A copy of the Assistance Grants application is also exhibited at page 3-4 of Exhibit 'PE-2'. The evidence that needs to be provided in support of each individual application varies depending on the nature of the assistance requested.

15. In determining whether Applications should be approved, I take into account the specific background to each individual Application and attached documents. Where any request which seems questionable, for example, where an Application which does not have a supporting

document such as medical bills, education information, an outstanding electricity bill, letter from the applicant's landlord regarding outstanding rent, or a letter expressing the applicant's financial hardship, the Application is flagged and returned to the secretary of the respective Member.

Breakdown of information for each elected Member

16. A breakdown for each elected Member of the number of applications for Assistance Grants that have been granted for the last 3 years to date is exhibited at pages 5-7 of Exhibit 'PE-2'..

17. Information for 2018 on the number of applications for Assistance Grants that have been refused, rejected or otherwise returned to the Member is not stored in the office we therefore do not have any records of the information.

18. The amounts taken from Assistance Grants for office expenses relating to rent, staff and operating expenses is exhibited at pages 8-10 of Exhibit 'PE-2'.

Sworn by: Phyllis Evans)

On 25 June 2021)

At Road Town, Tortola)

[redacted]

Phyllis Evans

Before me:

Notary/Commissioner of Oaths

I hereby certify that Phyllis Evans appeared before me on the 25 June, 2021 being Known to me for over fifteen (15) years.

[redacted]

NOTARY PUBLIC

TIFFANY R. SCATLIFFE ESPRIT

VIRGIN ISLANDS

Phyllis Evans
Second
25 June 2021
Exhibit 'PE-2'

IN THE MATTER OF THE TERRITORY OF THE VIRGIN ISLANDS COMMISSION OF INQUIRY 2021

AND THE COMMISSION OF INQUIRY ACT (CAP 239) (THE 'ACT')

SECOND AFFIDAVIT OF PHYLLIS EVANS



House of Assembly
2018 -2021
Assistance Grant

Account Description	FY 18 Budget	FY 18 Actual	FY 19 Budget	FY 19 Actual	FY 20 Budget	FY 20 Actual	FY 21 Budget
Coronavirus Prevent Exp					3,900,000.00	3,886,294	
Sporting Organisation	25,000	5,700	50,050	45,625	39,550	10,750	16,000
Religious Organisation	6,000	14,100	22,100	22,000	17,619	12,950	10,000
Civic/Social Organisation	11,600	23,650	72,650	83,480	40,750	25,650	9,600
Education Organisation	16,800	15,365	39,730	34,730	31,191	26,876	20,000
Other Org Assistance Grants	-	-	21,000	11,750	13,000	3,800	2,000
Scholarships - Domestic	10,000	5,930	14,430	16,544	9,260	7,260	10,000
Scholarships - Foreign	44,900	63,825	164,000	141,677	55,000	48,000	44,900
Medical Assistance - Domestic	37,500	46,348	38,650	33,700	19,874	17,917	15,000
Medical Assistance - Foreign	15,000	26,424	106,750	96,082	37,890	24,865	37,500
Other Individual/Family Assistance	1,809,500	1,776,328	2,212,250	1,981,289	2,810,529	2,063,792	1,560,000
Total Revised	**1,976,300**	**1,977,670**	**2,741,610**	**2,466,876**	**6,974,663**	**6,128,155**	**1,725,000**
Total Approved Budget	**1,725,000**		**2,351,610**		**1,725,030**		**1,725,000**
Supplementary Appropriation	**217,500**		**390,000**		**5,249,633**		**-**
Reallocation Warrant	**33,800**		**-**		**-**		**-**
Total Revised Budget	**1,976,300**		**2,741,610**		**6,974,663**		**1,725,000**

SAP No. 1 2018	260,000	SAP No. 1 2019	390,000	SAP No. 1 2020	53,633
SAP No. 2 2018	(42,500)			SAP No. 2 2020	5,200,000
Reall #321/2018	5,000			SAP No. 2 2020	(4,000)
Reall #321/2018	1,800				
Reall #109/2018	27,000				

Reall - Reallocation Warrant; SAP - Supplementary Appropriation

GOVERNMENT OF THE
VIRGIN ISLANDS
Ministry of Finance

Government of the Virgin Islands
Central Administration Complex
#33 Admin Drive
Road Town, TORTOLA VG1110
VIRGIN ISLANDS

Ref. No.: FIN/C3/95
FIN/D2/36

6th August, 2021

The Rt Hon Sir Gray Hickinbottom
BVI International Arbitration Centre
3rd Floor, Ritter House
Wickham's Cay II
Road Town, Tortola
Brtish Virgin Islands, VG1110

Dear Commissioner:

Re: Fourth Affidavit of Jeremiah Frett- Sworn 23rd July 2021 and Oral Evidence Given 13th July 2021

Firstly, I refer to paragraph 13 of the above referenced document. The Government operated a Provisional Budget for the first four months of 2019, in which monies were allocated to legislators for the Assistance Grants programme. During the use of the Provisional Budget and before the 2019 Budget Estimate was approved, the amount spent/committed for Assistance Grants was approximately $626,610. This total includes funding for those legislators who were not successful in the general election that same year. Following the general election, the elected officials requested and the Minister of Finance agreed to allocate a further $1,725,000 to House of Asssembly's (HOA's) Assistance Grants progamme. In essence, the re-elected legislators received a top-up for the amount already spent before the budget was approved and the remainder went to the newly elected members.

Consequently, in the 2019 Approved Budget Estimate, the amount allocated for the Assistance Grants programme was $2,351,610 (2,351,610 = 1,725,000+ 626,610). A further $390,000 was approved in a Supplementary Appropriation (SAP) that same year, which puts the total allocated to the HOA's Assistance Grants programme at $2,741,610 ($2,741,610 = 1,725,000+ 626,610+390,000) for FY 2019.

Secondly, you requested an explanation on a sum of $42,500 that was bracketed in the 'FY 2018' Budget column in the attached file named 'Assistance Grants 2018-2021'. At the top of the second page of the attached Schedule of Additional Provision No. 2 of 2018, the amount in question is displayed in the 'Reallocation' column and is quoted as savings to partially fund medical expenses for the late Ralph T. O'Neal and district expenses for Hon. Andrew Fahie. The approved SAPs are attached for ease of reference.

Further, you requested details on the operations of Reallocation Warrants. The Minister approves reallocations in accordance with Section 24 of the Public Finance Management Act

Government of the Virgin Islands
Central Administration Complex
#33 Admin Drive
Road Town, TORTOLA VG1110
VIRGIN ISLANDS

2004. Section 24 of the Act reads as follows:

> *Re-allocation within supply vote.*
>
> *"supply vote" means the total sums appropriated out of the Consolidated Fund for and applied to a purpose by an Appropriation Act;*
>
> *24. (1) If, in the opinion of the Minister, the exigencies of the public service make it necessary or expedient to increase the sum assigned to a purpose within a supply vote, he may direct, by means of a Re-allocation Warrant, that there be applied in aid of the purpose for which the sum assigned may be deficient, a sum out of any surplus arising on a sum assigned to another purpose within the same supply vote.*
>
> *(2) A Re-allocation Warrant issued under subsection (1) shall be laid before the Legislative Council by the Minister before the expiration of six months after the end of the year to which it relates.*
>
> *(3) The Minister shall not issue a Re-allocation Warrant if the effect of the re-allocation would be to avoid the terms and conditions attached to a grant or loan to the Government.*

Additionally, clarification was sought on the sum of $390,000 that was approved for Assistance Grants in the Schedule of Additional Provision No. 1 of 2019. The amount in question was allocated between several object accounts/subheads as detailed in the table immediately below.

Account	Amount
572110 - Sporting Organisation	5,000.00
572120 - Religious Organisation	5,000.00
572130 - Civic/Social Organisation	10,000.00
572140 - Education Organisation	640.00
572199 - Other Org Assistance Grants	15,000.00
572210 - Scholarships - Domestic	2,000.00
572220 - Scholarships - Foreign	35,000.00
572230 - Medical Assistance - Domestic	2,200.00
572240 - Medical Assistance - Foreign	34,000.00
572250 - Other Individual/ Family Assistance	271,160.00
Total	390,000.00

Further, you requested an explanation on a sum of $53,633 that appeared in the 'FY 2020' Budget column in the attached file named 'Assistance Grants 2018-2021'. The concern is that the amount in question did not appear on the SAP. Actually, the total was distributed amoung various object accounts/subheads as detailed in the table immediately below.

GOVERNMENT OF THE
VIRGIN ISLANDS
Ministry of Finance

Government of the Virgin Islands
Central Administration Complex
#33 Admin Drive
Road Town, TORTOLA VG1110
VIRGIN ISLANDS

Account		Approved Budget	Revised Budget	Variance
572110	Sporting Organisation		350	
572120	Religious Organisation	10,000.00	9,400.00	
572130	Civic/Social Organisation	43,000.00	40,750.00	
572140	Education Organisation	35,000.00	25,700.71	
572199	Other Org Assistance	-	13,000.00	
572210	Scholarships - Domestic	10,000.00	7,850.00	
572220	Scholarships - Foreign	44,900.00	42,150.00	
572230	Medical Assistance -	15,000.00	18,174.30	
572240	Medical Assistance -	37,500.00	37,890.00	
572250	Other Individual/Family	1,490,430.00	1,544,198.13	
Total		1,685,830.00	1,739,463.14	

Finally, clarification was sought on a sum of $5,200,000 that appears beneath the 'FY 2020' Budget column in the attachment named 'Assistance Grants 2018-2021', with a notation that reads "SAP 2 of 2020. The notation in the table was updated in the attachment named 'Assistance Grants 2018-2021- Updated 7-27-2021' and the total of $5,200,000 was re-distributed as follows:

- SAP 1 of 2020 - $3,900,000
- SAP 2 of 2020 - $1,300,000

If further information is required to support this request feel free to contact me.

[redacted]

Jeremiah Frett
Financial Secretary (Ag.)

GUIDELINES FOR PROCESSING ASSISTANCE GRANTS

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.

2) Assistance to companies in which representatives have a majority ownership interest is not allowed.

3) Financial assistance for scholarships is allowed subject to verifiable need and supporting documentation from the educational institution.

4) Financial assistance for community organizations such as schools, churches and non-profit organizations is allowed accompanied by supporting documentation of need or rationale.

5) Requests 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.

6) Requests relating to all educational grants, whether for tuition, textbooks, transportation or living expenses must be substantiated by supporting documentation.

7) Requests 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.

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.

9) The practice of an individual receiving monthly living allowances 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.

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

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 BVIslander is not a beneficiary.

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.

13) Representatives are not to entertain applications from members of staff of the Office of the House of Assembly 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 or educational need. Any such requests should be vetted by the Clerk before being presented to the representative, and any money granted should be paid directly to the medical or educational institution.

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

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

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

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

These guidelines may be reviewed from time to time as needed.

Internal Audit Unit
Ashley Ritter Building
Wickham's Cay 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 [redacted] Fax: (284) 468-2558
"Your 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 (ISPPIA: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,

[redacted]

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
INTERNAL AUDIT UNIT
ROAD TOWN, TORTOLA

Mr. Wendell Gaskin
Director of Internal Audit
Internal Audit Unit
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 concern 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,

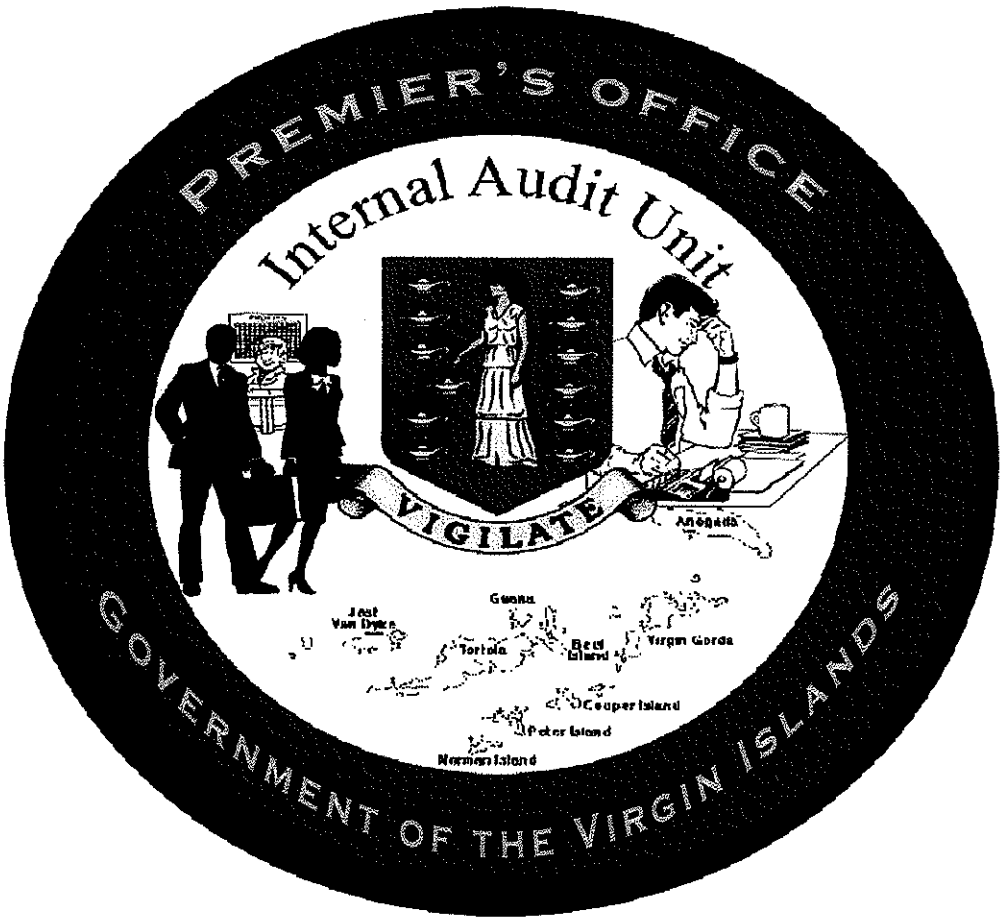
[redacted]

Speaker, House of Assembly

RH/ml

Cc: The Clerk, House of Assembly

INTERNAL AUDIT UNIT



Assistance Grants Programme

2006-2008

May 2009

TABLE OF CONTENTS

1.0 EXECUTIVE SUMMARY 2

2.0 INTRODUCTION 3

3.0 AUDIT TYPE 3

4.0 AUDIT SCOPE 3

5.0 AUDIT OBJECTIVE 3

6.0 AUDIT CRITERIA 4

7.0 FACTS AND FINDINGS 4

8.0 RECOMMENDATIONS 10

9.0 CONCLUSION 11

APPENDIX 1 11

APPENDIX 2 17

APPENDIX 3 31

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 Gants 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 BVIslander 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**

[redacted] Representatives who overspent their allotment of $150,000 District, $175,000 Territorial

[redacted] District Representatives who overspent their allotment in excess of the territorial allotment level of $75,000

[redacted] Representatives 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

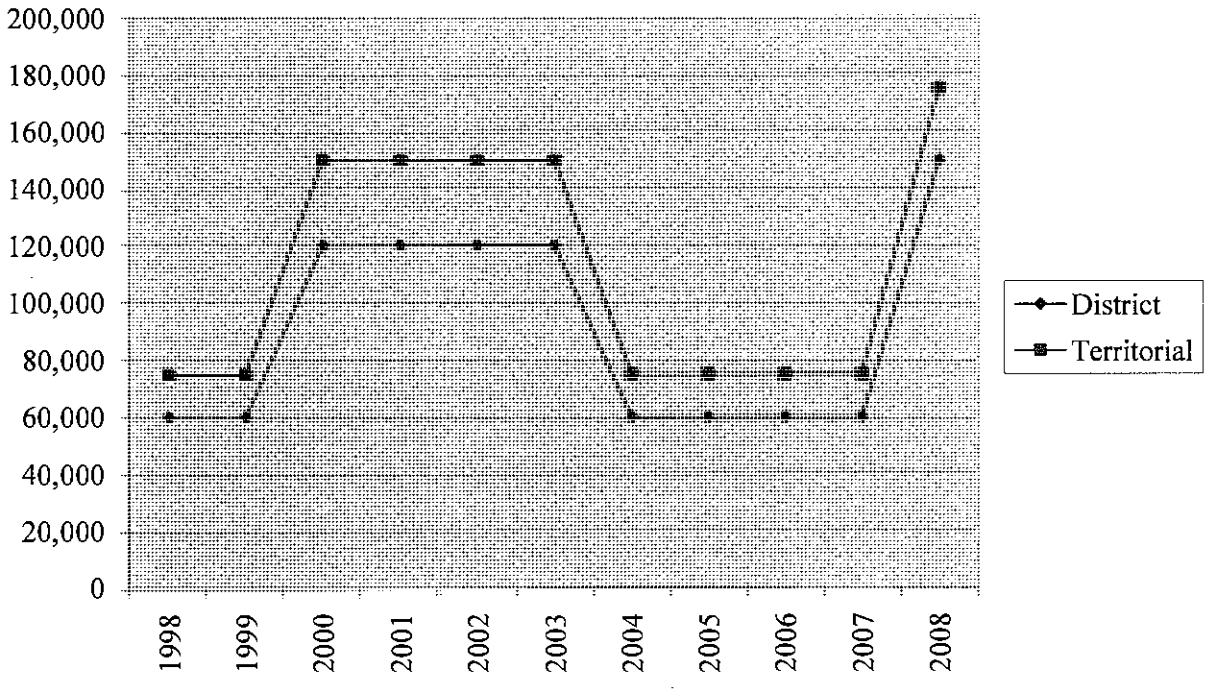


Table 2: Disbursement by Categories 2007-2008

	2008		2007	
Category	**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

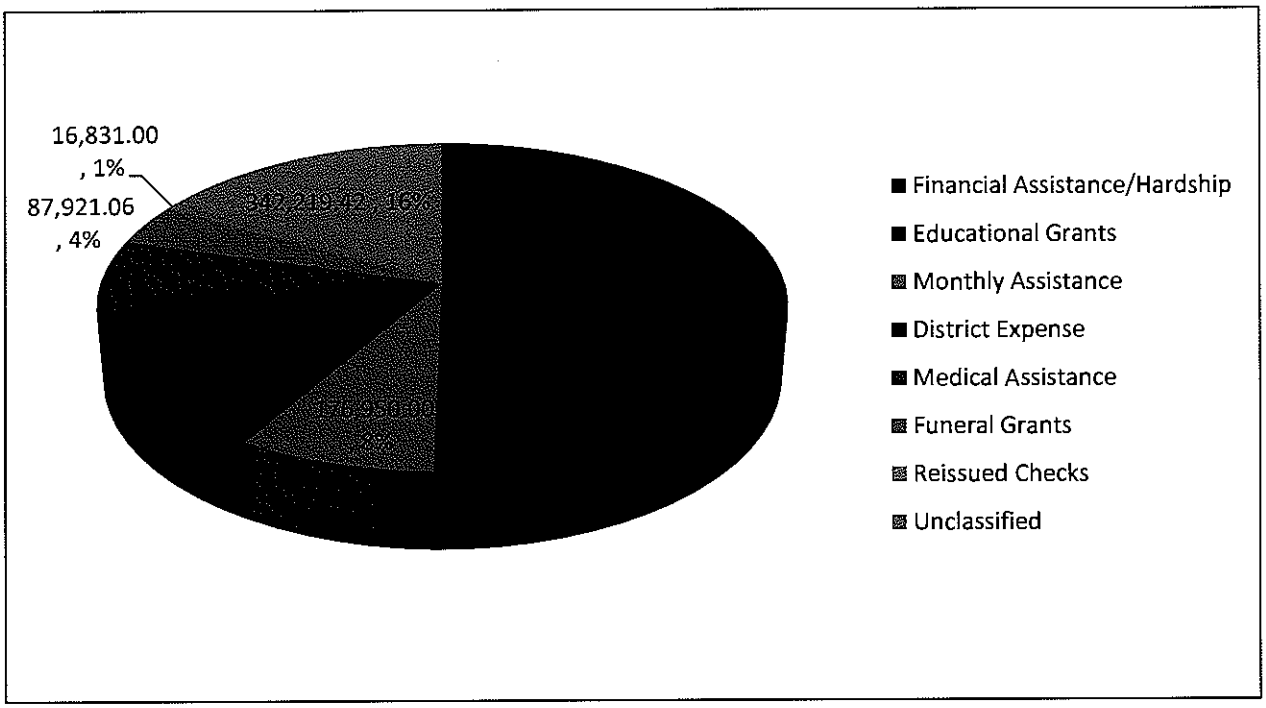


Figure 3: Disbursements by Category 2007

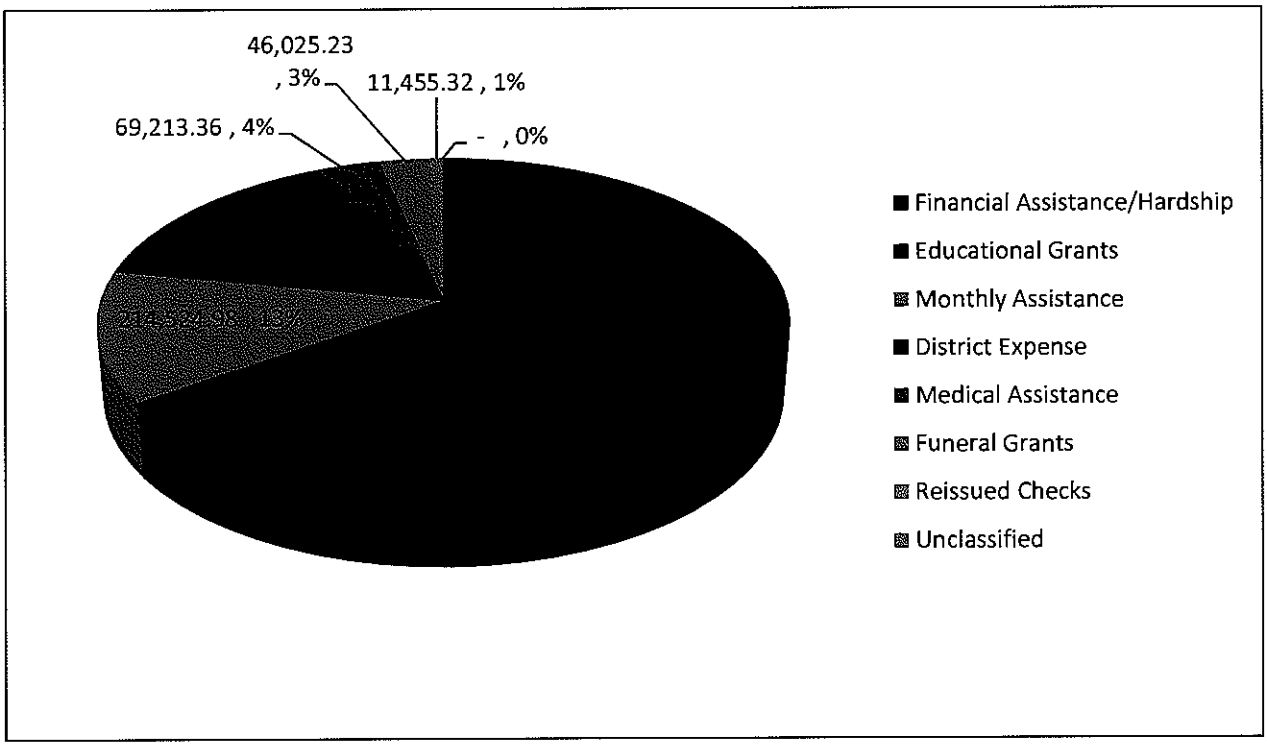


Table 3: Assistance Grants disbursed in 2008 and the purposes for which they were granted (Sample)

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 a[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 i[redacted]
7/23/2008	909159	538974	$ 600.00	Payment of tuition and fees t[redacted]nd [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 i[redacted]
5/7/2008	883529	529043	$ 647.08	Reimbursement for electricity bill[redacted] [redacted]
5/7/2008	883538	529048	$ 513.57	Water connection for resident
5/13/2008	884996	529619	$ 200.00	Financial contribution t[redacted] [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 i [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 [redacted]
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 [redacted]
5/26/2008	889564	531561	$ 500.00	Financial assistance [redacted]
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 t[redacted] to enroll her son in the educational system
12/12/2008	956467	557796	$ 1,000.00	Financial Assistance for daughter who has [redacted]
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 fo[redacted] 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: Honuable [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 askin to much money I need it badly. I put my X. I did not think twice I did ~~it~~ with a lovin heart because I no you very long sir I felt very bad. I a very-very sorry god loves a cheerful giver.

Thank you
very much

[redacted]

Help Help me please. I will not ask you again..

Thank you I felt badly askin..
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: ☑ BVIslander/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: $1,000.00

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, 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
March	[redacted]	$702.00	Bills, medical

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]

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

[redacted]

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], 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]
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]

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.

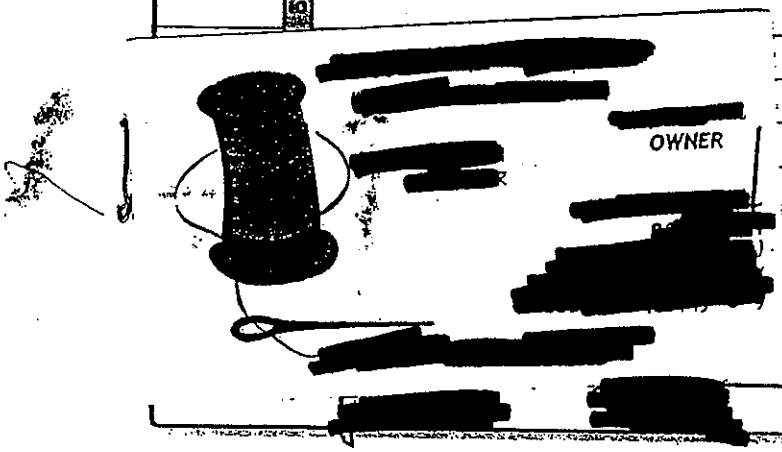
Yours sincerely,

[redacted]
Chaperone for contestant [redacted]

CUSTOMER'S ORDER NO.	DEPT. Sewing	DATE 26/8/08
NAME: [redacted]		
ADDRESS:		
CITY, STATE, ZIP		

SOLD [redacted]	CASH	C.O.D.	CHARGE	ON ACCT.	MDSE RTD.	PAID OUT

QUANTITY	DESCRIPTION	PRICE	AMOUNT
(1)	Dress	R200	00
(3)	3p lingerie	R100.	-0
	R300		



KEEP THIS COPY FOR YOUR RECORDS

©1998 REDIFORM® 5L320

[redacted]

British Virgin Islands

[redacted]

June 10, 2008

[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]

British Virgin Islands

[redacted]

May 16, 2008

[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]

British Virgin Islands

[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]

British Virgin Islands

[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. Stoutt 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]

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]
Manager
[redacted]
Virgin Islands

May 9, 2008

[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 greatful 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]

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 seek your financial assistance in the Completion on the balance of Payment on a Parcel of Land.

[redacted]

17.2.07

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]

$600.00
Approved
[redacted]
26th Nov. 2008

TO HON. [redacted]

This is to certify that I lost my US Travel document, in St. Thomas, sometime in December 2008.

I order to obtain replacement I had to incurred the following expense $500.00

[redacted]

22-12-08

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]

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,

[redacted]

[redacted]

BRITISH VIRGIN ISLANDS

[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]
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/[redacted] Fax: (284) 494-4544
Ema[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 HOUSEEOF 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
[redacted]y Financial Secretary
[redacted]irector of Internal Audit

Enclosure

WMG/mhs

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

"Your Management Specialist"

INTERNAL AUDIT UNIT

DRAFT



FOLLOW-UP AUDIT REVIEW

Assistance Grant Programme
2006- 2008

March 2011

TABLE ON CONTENTS

INTRODUCTION 3

RECOMMENDATION 1: NOT MPLEMENTED 3

RECOMMENDATION 2: NOT IMPLEMENTED 3

RECOMMENDATION 3: NOT IMPLEMENTED 3

RECOMMENDATION 4: NOT IMPLEMENTED 4

RECOMMENDATION 5: NOT IMPLEMENTED 4

RECOMMENDATION 6: NOT IMPLEMENTED 4

RECOMMENDATION 7: NOT IMPLEMENTED 4

RECOMMENDATION 8: NOT IMPLEMENTED 4

RECOMMENDATION 9: NOT IMPLEMENTED 4

RECOMMENDATION 10: NOT IMPLEMENTED 4

FOLLOW UP PROCEDURES 4

FOLLOW UP RECOMMENDATION 5

CONCLUSION 5

APPENDIX I 6

APPENDEX II 6

MANAGEMENT RESPONSE 10

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 MPLEMENTED
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

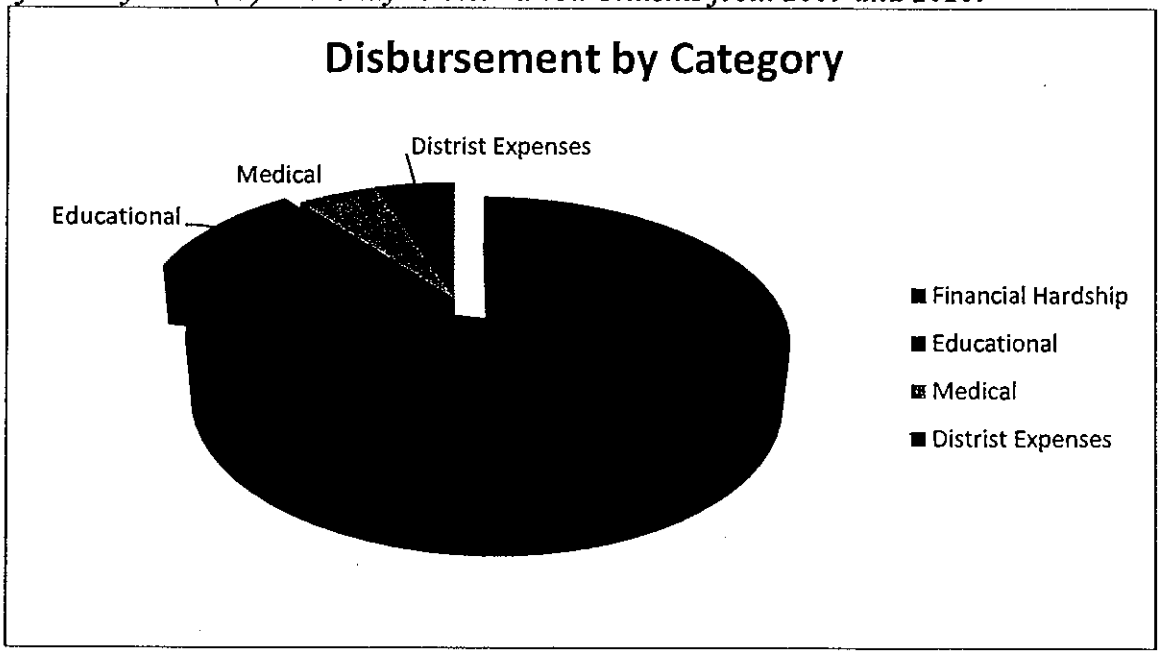
As articulated in the report, the funds disbursed from the Assistance Grants Programme as public funds must maintain the same level of documentary evidence as any other expenditure and must be accounted for in a like manner with the same level of accountability and transparency in compliance with the 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	[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.	$1,0000.00	$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) 468-370[redacted] fax: (284) 468-2558

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 4of 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,

[redacted]

Deputy Financial Secretary
(for) Director of Internal Audit

WMG/mhs

cc: His Excellency the Governor
Financial Secretary
Auditor General

INTERNAL AUDIT UNIT



FOLLOW-UP AUDIT REVIEW

Assistance Grant Programme
2006- 2008

March 2011

TABLE ON CONTENTS

INTRODUCTION 3

RECOMMENDATION 1: NOT MPLEMENTED 3

RECOMMENDATION 2: NOT IMPLEMENTED 3

RECOMMENDATION 3: NOT IMPLEMENTED 3

RECOMMENDATION 4: NOT IMPLEMENTED 4

RECOMMENDATION 5: NOT IMPLEMENTED 4

RECOMMENDATION 6: NOT IMPLEMENTED 4

RECOMMENDATION 7: NOT IMPLEMENTED 4

RECOMMENDATION 8: NOT IMPLEMENTED 4

RECOMMENDATION 9: NOT IMPLEMENTED 4

RECOMMENDATION 10: NOT IMPLEMENTED 4

FOLLOW UP PROCEDURES 4

FOLLOW UP RECOMMENDATION 5

CONCLUSION 5

APPENDIX I 6

APPENDEX II 6

MANAGEMENT RESPONSE 10

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 MPLEMENTED
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

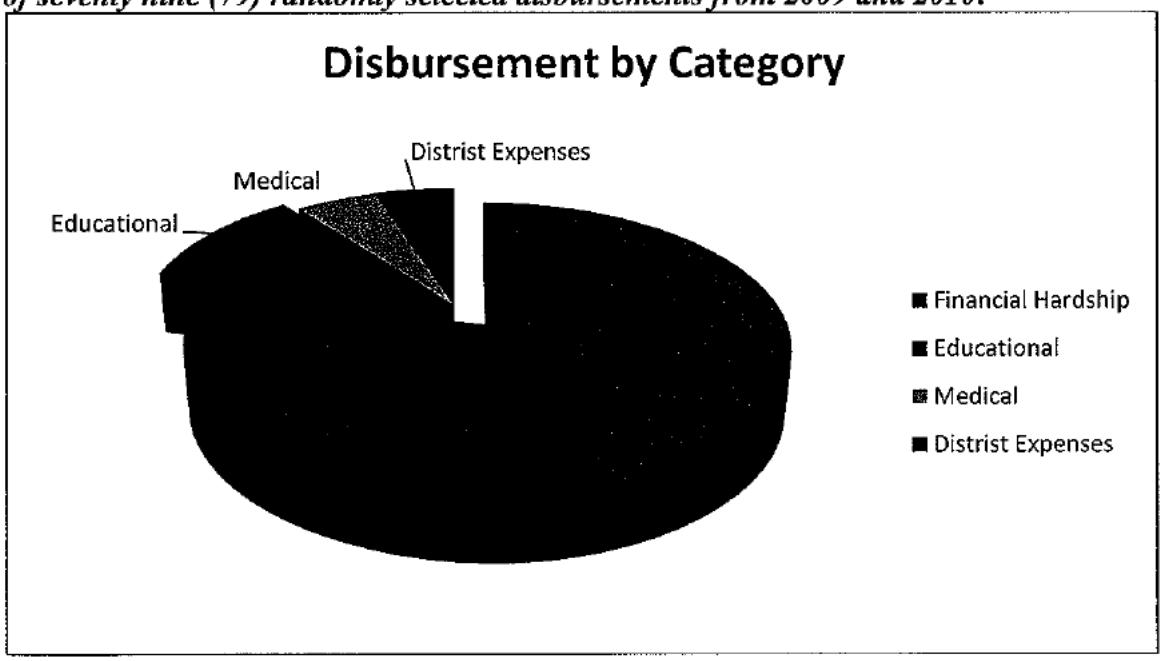
As articulated in the report, the funds disbursed from the Assistance Grants Programme as public funds must maintain the same level of documentary evidence as any other expenditure and must be accounted for in a like manner with the same level of accountability and transparency in compliance with the 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 [redacted]	$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 [redacted]	$5,000.00	$5000.00
Financial	Mother of [redacted] 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 [redacted] 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]	**$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 [redacted]	$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 [redacted]	$4,200.00	$1000.00
Medical	Financial assistance towards medical expenses	Any amount	$2000.00
Financial	Donation to help with evangelism [redacted]	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.	$1,0000.00	$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 [redacted]	$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.	

BRITISH VIRGIN ISLANDS COMMISSION OF INQUIRY

Commissioner: The Rt Hon Sir Gary Hickinbottom

Secretary: Steven Chandler

BVI International Arbitration Centre
3rd Floor, Ritter House
Wickham's Cay II
Road Town, Tortola

Room RB 1.11
22 Whitehall
London SW1A 2EG

Tel: +1 (284) 340 9078
Email: steven.chandler@bvi.public-inquiry.uk

21 September 2021

Hon Dawn Smith
Attorney General
British Virgin Islands

By Email to: [redacted]

Dear Attorney General

BRITISH VIRGIN ISLANDS COMMISSION OF INQUIRY ("COI")

As you know, Sir Gary Hickinbottom was appointed as Sole Commissioner of the COI on 19 January 2021. I am the Solicitor to the COI. Further details about the COI including its Terms of Reference are available at https://bvi.public-inquiry.uk.

This letter is being written to you in your capacity as the legal advisor to the House of Assembly and to Government. For reasons set out below, it is not being written to you as the legal representative of the elected Ministers nor as the legal advisor to the elected members in the current House of Assembly (whether taken individually or as a body).

In conducting his inquiry, the Commissioner has obtained documentary evidence and received oral evidence from witnesses at both public and private hearings. This includes evidence relating to the Assistance Grant Programme operated by the House of Assembly and the Assistant Grant Programmes operated by individual Ministries (collectively the Assistance Grants Programmes).

The relevant documentary evidence comprises the following:

1. Internal Auditor Report: Assistance Grants Programme 2006 to 2008, dated 2009.
2. Internal Auditor Report: House of Assembly – Assistance Grant Programme – Follow Up Audit Review dated 2011.
3. Internal Auditor Report: Government Ministries – Assistance Grants Programme Draft Audit Report dated 2014.

4. Second affidavit and exhibits from Phyllis Evans dated 25 June 2021.
5. Third affidavit and exhibits of Jeremiah Frett – 3rd affidavit dated 9 July 2021.
6. Supplementary information from Jeremiah Frett re Assistance Grants.

To assist you, the above material has been collated into a bundle labelled "Assistance Grants Bundle parts 1 and 2," which has been uploaded to the Attorney General's workspace on GoAnywhere.

The Commissioner has also received oral evidence from current and former members of the House of Assembly as to their understanding of the House of Assembly Assistance Grants Programme (see transcripts for Days 10, 11, 12, 15, 24). He has received evidence from current and former public officers, specifically, the Internal Auditor ("Day 22"), Mr Jeremiah Frett ("Day 25"), Mr Glenroy Forbes ("Day 25"), Mrs Phyllis Evans ("Day 26"), and Mr Wendell Gaskin ("Day 27").

The available evidence gives rise to concerns over the Assistance Grants Programmes. These, together with the evidence giving rise to them, are set out in Appendix A to this letter. The detail therein, taken in the round, gives rise to the overarching concern that the Assistance Grants Programmes operate in a manner that is legally arbitrary or capricious.

The Commissioner stresses that the overarching concern is not one that relates to the actions or decisions of individual members of the House of Assembly (whether past or current) or of individual Ministers (whether past or present). Rather it is one of system. Accordingly, he considers that the best way forward is to invite you, as the legal advisor to the House of Assembly and as the legal advisor to government bodies including Ministries, to make legal submissions on the following:

(i) Whether, having regard to the available evidence, it is accepted that the Assistance Grants Programmes operate in a manner which is legally arbitrary.

(ii) If that proposition is not accepted, then the basis on which it is said that these programmes are operated in a manner consistent with public law principles.

The Commissioner directs that your legal submissions on the above must be limited to no more than 20 pages (including any appendices, annexures and/or schedules) and should be provided by **4pm on Tuesday 5 October 2021**. Insofar as you will need refer to evidence, the Commissioner expects that it will be limited to that evidence already obtained by the COI. Given the stage which the COI has reached, the Commissioner would be most concerned to receive fresh evidence which is said to be relevant to an issue he began investigating some time ago.

The Commissioner appreciates that you may wish to instruct others (be it in your Chambers or at Withers) to settle submissions. Whether or not that occurs, any legal submission must carry the name/s of all those responsible for its drafting. "Withers BVI", which has appeared on some submissions, is inadequate. Further, should you

consider that a 20 page limit is insufficient to address the questions above, then the Commissioner asks that you write to him immediately setting out the reasons why. The Commissioner does not consider the IRU's approach of ignoring his directions as to page limits to have been helpful.

Finally, the Commissioner asks that you indicate, with reasons, whether, in addition to the written submissions, you wish to make oral submissions on this matter. He will then decide whether this is necessary and if so, will give the necessary directions. If there is to be such an oral hearing then, this is likely to be at **10am on Thursday 7 October 2021**.

If you have any questions in relation to this letter, please do not hesitate to contact me.

Yours sincerely

Rhea Harrikissoon

Rhea Harrikissoon
Solicitor to the Commission of Inquiry

APPENDIX A

House of Assembly Assistance Grants Programme

(References to page numbers in this appendix are to the page numbers of the documents in the accompanying bundle of evidence)

Concerns	Evidence
On the available evidence, it appears that: 1. The uses for which elected members have and can award grants are now far outside the programme's original intention. 2. The guidelines being applied are not fit for purpose. 3. Elected members have refused to amend or even review the guidelines, despite having had their limitations and deficiencies identified to them. 4. Following the Internal Auditor's Follow-Up Audit Review of 2011, elected members failed to cooperate with the Clerk of the House to address her concerns over the weaknesses in the guidelines, with the consequence that the absence of effective control or transparency was entrenched into the system. 5. The result is that elected members have in effect complete discretion as to the sums they award and the use to which they put the sums allocated to them. Some elected members have made grants without even appreciating that guidelines exist. Such an approach does not make for consistent or even lawful decision making. 6. The interests of individual members and the absence of effective guidance means that members may make decisions based on different (including subjective) criteria. Again that leads to inconsistent and potentially unlawful decision making. 7. The system does not operate in such a way as to promote accountability and transparency: (i) A substantial proportion of grants are made without any or, at least, any sufficient supporting documentation.	Internal Auditor Report: Assistance Grants Programme 2006 to 2008, dated 2009, Pages 1-81 Internal Auditor Report: House of Assembly – Assistance Grant Programme – Follow Up Audit Review dated 2011, Pages 82 – 93 Day 22 Hearing Transcript of Internal Auditor, Pages 598 – 658 Second affidavit and exhibits from Phyllis Evans dated 25 June 2021, Pages 132 - 147 Third affidavit and exhibits of Jeremiah Frett dated 9 July 2021, Pages 148 - 510 Supplementary information from Jeremiah Frett re Assistance Grants, Pages 511- 543 Day 24 Hearing Transcript of Dr Orlando Smith, Pages 733 - 740

	(ii) No records or, at least, no adequate, records of the grants made are kept.	Day 25 Hearing Transcript of Jeremiah Frett, Pages 887 - 930
	(iii) No information is provided to the public as to the nature of the grants made by elected members.	Day 25 Hearing Transcript of Glenroy Forbes, Pages 976 - 988
	(iv) Information concerning the grants made is not shared with other bodies (for example Ministries) responsible for providing assistance.	Day 26 Hearing Transcript of Phyllis Evans, Pages 1140 - 1168
	(v) Whilst it is possible for an applicant to apply to a Member who is not the Member for his or her District or a Territorial Member, in practice, a Member overwhelmingly makes grants to his or her constituents.	Day 27 Hearing Transcript of Wendell Gaskin, Pages 1179 - 1199
	(vi) There is no means of appeal against or independent review of the decision of a member to refuse an application for a grant.	Day 12 Hearing Transcript of Dr the Hon Wheatley, Pages 1972 - 1979
8.	The system does not require reasons for a refusal or grant to be given. Nor does it incorporate a viable mechanism (for example a means of appeal) for reviewing the decision making that leads to a grant being refused. There is therefore no disincentive to arbitrariness.	Day 10 Hearing Transcript of Hon Sharie D Castro Pages 1412 - 1424
9.	The system does not allow the Clerk to the House of Assembly to properly meet her obligations as the relevant Accounting Officer. In practice, her role and that of her staff (and indeed the Treasury when it issues the cheque) is limited to reviewing the form of an application and not its merits. Accordingly, the distribution of funds is driven solely by individual elected members. The Accounting Officer is left in the position where she is estopped or otherwise prevented from acting in accordance with the principles of the Public Finance Management Act.	Day 10 Hearing Transcript of Hon Shereen D Flax-Charles Pages 1469 - 1475 Day 11 Hearing Transcript of Hon Vincent Wheatley Pages 1743 - 1755
10.	Although each Member is granted a fixed amount to distribute for the year (allocated in quarterly tranches), if there is overspend, Cabinet can (and does) put forward a supplementary allocation which can be (and invariably is) voted through by the House of Assembly. There is consequently, in practice, no limit to the grants that may be made.	

11. The sum available to elected members to distribute in 2019, an election year, was increased substantially. 12. Given the existence of various programmes established by the legislature (notably the Social Assistance Fund) which incorporate a proper and justifiable assessment process, there is no rational justification for the continuation for this programme. 13. Given the lack of effective guidance, the absence of any effective fetter on the exercise of discretion, the lack of transparency, the lack of a proper audit trail, that members can choose who or what to support, the system lacks sufficient safeguards to prevent abuse.	

Assistance Grants administered by the Ministries

Concerns	**Evidence**
On the available evidence: 1. Awards are ultimately at the discretion of the individual Minister. 2. Ministers fail to monitor the Assistance Grants administered by the Ministries effectively. That runs the risk of the programme being open to abuse and circumventing the Ministry's own policies. 3. There are no formal procedures in place with little or no evidence being required to substantiate a decision to grant an award. This risks decisions being made on an inconsistent and potentially unlawful basis utilising variable criteria.	Internal Auditor Report: Government Ministries – Assistance Grants Programme Draft Audit Report dated 2014, Pages 94 - 131 Day 22 Hearing Transcript of Internal Auditor pages 634 -658 Day 24 Hearing Transcript of Dr Orlando Smith, Pages 733 – 740 Day 25 Hearing Transcript of

	Glenroy Forbes, Pages 981 - 988

IN THE MATTER OF THE TERRITORY OF THE VIRGIN ISLANDS COMMISSION OF INQUIRY 2021

AND THE COMMISSION OF INQUIRY ACT (CAP 237) ("the Act")

SUMMARY OF SUBMISSIONS ON BEHALF OF THE ATTORNEY GENERAL AND THE ELECTED GOVERNMENT

---

*References in bold square brackets **[x]** are to pages of the bundle provided with these submissions. For ease of reference, references to the COI's hearing bundles are also provided in italics.*

*References styled **AuthB/[x]/[x]** are to the tabs and pages of the accompanying bundle of authorities*

INTRODUCTION

1. These submissions compendiously address the following questions:
    1. Is there a proper basis for a conclusion that conduct as defined in Paragraph 1 of the Terms of Reference may have taken place in respect of any of the areas of government activity identified and inquired into by the Commissioner?
    2. Whether or not the systems, practices, and decision-making of government into which the Commissioner has inquired in these areas are deficient and, where that is the case, what are the causes of the deficiencies, and how might they be improved?
    3. What other changes might be made to improve the systems and practices of governance in the Virgin Islands?
2. The constraints imposed by the Commission only permit summary submissions on the following topics, on which Warning Letters were issued to members of the Elected Government:
    I. Statutory Boards;
    II. Pandemic Schemes;
    III. Belongers;
    IV. Crown Lands;
    V. Contracts (Radar Barges/EZ Shipping Limited "**EZ**" and Claude Skelton Cline "**CSC**").

Question 1

3. The Ministers submit that there is no proper factual basis in respect of the matters set out below, of a kind which the Commissioner could adjudge to be reasonable and which would satisfy the objective observer, for concluding that any person may have engaged in criminal conduct.

4. Submissions dated 6 October 2021 have already been made as to the Approach and Standard of Proof required, ("**Standard of Proof Submissions**") and as to the definitions in paragraph 1 of the Terms of Reference, dated 7 June 2021 ("**Definition Submissions**"). At the hearing on Day 25, 13 July 2021, the Commissioner indicated that the scope of the 'definitions' was generally common ground and Counsel to the Commission agreed (p.11/21-23), although Counsel to the Commission reserved his position on non-criminal serious dishonesty (Day 25, p.11/24-25), it is submitted that there is no room for such a concept within paragraph 1. Paragraph 1 could apply if behaviour fulfils the requirements of the offence of misconduct in a public office (Day 25, p.6/18-24), for which the threshold of abuse is a high one (see Definition submissions, p.6, ¶18).

5. In summary it is submitted that there are two steps involved in the assessment under paragraph 1:

   5.1. Firstly the Commissioner must establish whether he has information, which focusses on evidence of facts (Day 50, p.16/9-12; p.18/5-6) regarding the specified serious misconduct;

   5.2. Secondly the Commissioner must consider whether that information or evidence leads to the conclusion that the specified serious misconduct may have taken place.

6. At step 2 the Commissioner must conclude that it is at least a real possibility that paragraph 1 conduct has taken place (Standard of Proof Submissions, ¶9; Day 50 p.18/15-17). This requires more than speculation based on poor practices of decision making or that such conduct cannot be ruled out. The test may be akin to the 'reasonable grounds to suspect' test, applicable in England at the time of an arrest as to whether an offence has been committed and whether a person is guilty of it, pursuant to section 24(2) of the Police and Criminal Evidence Act 1984, recently considered in *Parker v Chief Constable of Essex Police* [2018] EWCA Civ 2788 [2019] 1 W.L.R. 2238 **[AuthB/1/1-30]**. In that context, the first question is whether the officer honestly held the necessary suspicion that an offence had been committed and that the person arrested was guilty (see *Parker*, Sir Brian Leveson P at p.2251D-E (A1) and (1)). The second is whether the suspicion was based on reasonable grounds (*Parker*, Sir Brian Leveson P at p.2251D-E [59] (A2) and (2) **[AuthB/1/12]**).

7. Suspicion by itself is insufficient. There must be a proper factual basis for it, of a kind which a court would adjudge to be reasonable and which would satisfy the objective observer that the person concerned may have committed the offence (*Castorina v Chief Constable of Surrey* [1996] LG Rev Rep 241 1988 WL 622865 (1988), Sir Frederick Lawton p.9 **[AuthB/2/39]**; *Fox Campbell and Hartley v United Kingdom* (1990) 13 E.H.R.R. 157, p.167 [32] **[AuthB/3/52]**; *Cumming v Chief Constable of Northumbria Police* [2003] EWCA Civ 1844; [2004] PoLR 61, Latham LJ [12] and [37]) **[AuthB/4/62 & 69]**.]

8. Further, the Attorney General agrees with the Commissioner that on the sliding scale it would be wrong to reach conclusions that paragraph 1 behaviour may have taken place without very considerable thought and anxious scrutiny, in the case of behaviour within the compass of paragraph 1 and public officials, particularly senior public officials (Day 50, p.24/5-25). The Attorney General submits that there is room for the application of that scrutiny at both steps 1 and 2.

9. Finally, the Attorney General accepts that the level of satisfaction, on a flexible scale, as to the probability of behaviour having taken place, will affect the recommendations made by the Commissioner (Day 50 p.21/6-9 and p.22/1-2), to which Questions 2 and 3 are directed.

Questions 2 & 3

10. It is submitted that the fundamental problem common to an examination of each of topics I to V is the lack of effective policy formulation and monitoring in the Public Service and an appreciation of its vital role in modern government and good governance (see the principles identified by the Attorney General, Day 16, p.20/8-23 and p.21/22 to p.22/9).

I. STATUTORY BOARDS

Question 1: paragraph 1 behaviour

11. The Warning Letters in relation to Statutory Boards set out two broad areas of potential criticism: (i) inadequate processes for the appointment of board members; and (ii) actions taken *ultra vires* and without due consideration of legal advice. The latter category relates chiefly to the revocation of board appointments. Subsequent correspondence clarified that the potential Paragraph 1 criticisms related to "*decisions and actions being taken knowingly other than in the public interest*" (Letter from Andrew King to Withers BVI, 1 September 2021 at **[1-4]**).

I.1.A. Processes for selecting aboard appointments

12. The thrust of the potential criticism canvassed was that "[n]*o reasonable effort was made to identify and select the most suitable and qualified candidates*" for appointment to statutory boards. However, the Permanent Secretaries questioned on this topic described an informal process in which great care went into picking appropriate candidates (Ms Bertie, Day 30, p.37/20 to p.38/1; Dr O'Neal-Morton, Day 32, p.32/10). Mr Smith-Abbott put it as follows: "*I really do not believe, in all honesty that, over the decades of appointing Members to various Boards, that it would be a fair statement to say that no effort was made to identify and select. Some thought is given – a lot of thought is given, I would say… we look very critically at the contribution that those individuals make within society*" (Mr Smith-Abbott, Day 31, p.111/11-17).

13. One shortfall in the informal process was that there was no formal system in place for identifying and documenting conflicts of interest. However, witnesses involved in the selection process agreed that in general, conflicts of interest would be identified by those conducting the process of identifying candidates (Ms Bertie, Day 30, p.97/16-19; Mr Smith-Abbott, Day 31, p.120/25; Hon Vincent Wheatley, Day 31, p.195/25; Day 31, p.197/7-10; Premier, Day 33, p.140/12-17; Dr O'Neal-Morton, Day 32, p.91/4-10). There was no evidence of instances where conflicts of interest had not been identified.

14. The informal process was not new, having been used across Ministries and administrations for decades. Mr Jaspert said that he had previously raised concerns about statutory board appointments, but he was only able to give one example, which related to a specific appointment to the BVI Airports Authority and not to issues of process generally (Day 52, p.46/5-17; **[5-10]** *(Governance Bundle 3, [20])*). Indeed, there is no evidence that statutory board positions appointed by the Governor have been routinely advertised (see Letter from Mr King to Withers BVI of 20 September 2021 at **[11]**). It is submitted that the absence of such evidence does not necessarily mean that "[n]*o reasonable effort was made* [by the Governor] *to identify and select the most suitable and qualified candidates*".

15. If a recruitment process does not reach all potential candidates, it does not follow that 'no effort' has been made to find the best candidates. All the Permanent Secretaries questioned on the topic of Statutory Boards believed that there was merit in the informal process. There was nothing to suggest that in following the informal process, public officers or officials were knowingly acting other than in the public interest. That said, on reflection the witnesses accepted that advertising (and other processes) could be used to optimise the selection process, as set out below at paragraphs 21-22 and the ministers support the need for a modernisation of the processes of selection including written policy guidance on appropriate procedures and principles for such appointments.

I.1.B. Acting ultra vires

16. On 19 March 2019, the Premier's office submitted a Cabinet Paper containing a policy to revoke board memberships, so that they could be reconstituted to allow for the right mix of progressive minded members to be appointed (Memo No. 103/2019, at **[12-17]** *(Statutory Boards Bundle [2928-2933])*). On 27 March 2019, Cabinet considered the policy and decided to revoke the membership of the BVI Ports Authority and BVI Tourist Board (Memo No. 103/2019 at **[18-19]** *(Statutory Boards Bundle [2926-2927])*). On 17 April 2019, Cabinet decided to revoke the membership of the BVI Electricity Board, pursuant to a policy of revamping that board (Memo No. 115/2019 at **[20-28]** *(Statutory Boards Bundle at [2820-2828])*).

17. The evidence showed various reasons for which Ministers were in favour of reconstituting the Boards: (i) The Ports Authority, Tourist Board and Airport Authority to work in a more cohesive way (Premier, Day 33, p.72); (ii) Youth involvement (Premier, Day 33, pp.69-70); (iii) Tenure of statutory boards to match administration; and (iv) Sister island representation (Premier, Day 33, pp.69-70). Ministers also wanted to ensure that Boards would carry out the Government's mandate. This did not, however, mean that appointments were politically motivated: candidates known not to be Government supporters were appointed to important roles: (Premier, Day 33, p.91/23-25). The Ministers believed these policy considerations to be in the public interest, and that institutional knowledge would be retained through the presence of public officers on boards (Premier, Day 33, p.8/25 to p.9/4).

18. As regards the general policy, the Attorney General cautioned that removing directors *en masse* could be construed as unreasonable, but Cabinet did not understand this advice to mean that it could not lawfully revoke the boards. The Premier's clear evidence was that "[h]*ad the Attorney General stated to us at any stage that one, that there was no lawful way by which we could have revoked the appointments of these Boards on the basis of the new policy, we would have asked them to advise on how to achieve the Government's*

policy and follow that advice" (Premier, Day 33, p.79/19-24). In respect of the Electricity Board, the Attorney General advised that Cabinet had the discretion to revoke the board appointments, but that this power must be exercised reasonably (Memo No. 115/2019 at **[20-28]** *(Statutory Boards Bundle at [2823])*).

19. As regards the Climate Change Trust Fund Board, the Attorney General expressed concern at the Cabinet meeting on 23 April 2019 that the conditions for removal in the Virgin Islands Climate Change Trust Fund Act had not been demonstrated to exist. The Ministers considered the Attorney General to be advising that the revocation carried a high legal risk but did not understand him to be saying that it was unequivocally unlawful (Day 34, p.230/3-11). There may have been some confusion in the Premier's oral evidence, stemming from the fact that he accepted that the Attorney General had given strong advice on 13 May 2019 as to potential unlawfulness (Day 34, p.216/18-21), and it seems that at times the Premier and the Commissioner were at cross-purposes as to whether the May 2019 advice was being considered, or the earlier advice on 23 April 2019. However, the Premier clarified under questioning from the Commissioner that he had not considered the revocation unequivocally unlawful at the time the decision was made (Day 34, p.235/12-18).

20. It appears it was after 23 April 2019 ("subsequent to then", Day 34, p.226/16), that the Attorney General expressed concerns about the risk "so heightened" (Day 34, p.235/23). This presumably arose in the context of discussing the possible Amendment to the Virgin Islands Climate Change Trust Fund Act. Given the Attorney General's advice, Cabinet parked the proposed amendment to the Virgin Islands Climate Trust Fund Act. Regrettably, the reconstitution of the Board also stalled, due to the variety of pressures on the Premier's Office.

Questions 2 & 3: reform

21. The evidence does not support the picture painted by the former Governor in his statement announcing the Inquiry.[1] Public officers and elected officials alike are committed to improving the existing systems. All witnesses were open to embracing more modern practices in relation to advertising, interviewing and conducting due diligence (Ms Bertie, Day 30, pp.44/9-10, 59/23 to 60/1, 98/21-25; Hon Carvin Malone, Day 30, pp. 147 & 205 to 208; Mr Smith-Abbott, Day 31, p.128; Hon Vincent Wheatley, Day 31, pp.186/16 & 196/21; Dr O'Neal-Morton, Day 32, p.74/9-16; Premier, Day 33, p.41).

22. Furthermore, Dr O'Neal-Morton gave evidence about the commencement of a new approach, which includes advertising, a panel reviewing CVs, and inviting candidates for interview. At the time she gave her evidence on the point she had not yet conducted interviews because of Covid-19 and a scheduling clash with the COI hearing (Day 32, p.27). Dr O'Neal Morton disclosed to the Inquiry a new draft manual setting out a process that includes advertising, submission of applications, shortlisting, interview by panel, background checks and score sheets (see Recruitment and Selection Procedures Manual at **[29-35]**). Board vacancies are now being advertised, see e.g. https://bvi.gov.vg/media-centre/bvi-electricity-corporation-board-seeks-members.

[1] Augustus Jaspert: "*there are allegations of some political interference occurring in some statutory bodies. A number of officers from our bodies have come to me with concerns about individuals being replaced by political allies and officers being coerced into circumventing protocols and taking improper practices.*"

23. It is therefore plain that the willingness and capacity to improve the system for selecting board members exist. However, the difficulties identified in reconstituting boards are attributable to the absence of developed cross-government policy and written procedural guidance on appointment exercises and on the principles to be applied to them (Premier, Day 33, p.107/13-20). As well as fixing the specific process of selecting boards, the following measures are suggested to underpin the new processes: (i) a written code for appointments to statutory bodies; (ii) establishment of a Propriety and Ethics Unit in the Cabinet Office to assist with identifying an advising on conflicts of interest; (iii) reforms to support policy formulation, monitoring and evaluation. In relation to the latter, the Ministers have been considering more generally the policy towards the revocation of statutory boards (Premier's Response to Warning Letter at pp.29-30 **[36-66]**).

II. PANDEMIC SCHEMES

Question 1: paragraph 1 behaviour

24. Criticisms have been made of the Government's pandemic response programmes, particularly the Farmers and Fishers programme, and the Religious Institutions, Civic Groups, Private Schools and Daycares programme. However, there is no evidence before the Commissioner that corruption, abuse of office or serious dishonesty occurred in the planning and execution stages of the Government's response to the pandemic as opposed to inexperience, inadequate resources, and lack of expertise in designing and implementing such policies in circumstances of great urgency and intense public pressure.

II.1.A. Programmes were irrationally implemented

25. During oral evidence, the Commissioner commented that he did not find the use of bands corresponding to a pre-determined amount of grant money to be "*rational*" (Dr O'Neal Morton, Day 45, p.197/12-24). It is submitted that does not equate to corruption, abuse of office or dishonesty. The Commissioner received no evidence to suggest that the programmes were motivated by criminal intent, or that those implementing the programmes received some gift, advantage or gratification during the planning or execution stages. The allocation of grant money to applicants was the responsibility of the Technical Team under the guidance of Mr Gaskin (Mr Forbes, Day 25, p.148/17-18; Dr O'Neal Morton, Day 45, p.204/1-12; Dr O'Neal Morton's Fifth Affidavit, ¶ 2.9 **[67-70]**), whom the Permanent Secretary enlisted to the task because of his qualifications as a former Internal Auditor and Deputy Financial Secretary (Dr O'Neal Morton's Fifth Affidavit, ¶ 2.8 **[67-70]**). The Internal Auditor accepted that the programmes were motivated by the Government's intention to "*sure-up* [sic] *the economy as well as offer some monetary relief to citizens that were verifiably impacted by the COVID-19 pandemic*" (Covid-19 Stimulus: Draft Audit Report, October 2020, p.21, **[71-92]**).

26. The Technical Team adopted the blunt-edged criteria necessary to provide the Stimulus at speed in exceptional circumstances. The Internal Auditor noted in her report that "*the efforts in deploying these programmes under such extraordinary circumstances are applauded*" (Covid-19 Stimulus: Draft Audit Report, October 2020, p.21, **[71-92]**).

II.1.B. Failure to adhere to Cabinet-approved policy

27. The Commissioner heard evidence from the Auditor General that the Cabinet-approved policy was disregarded (Ms Webster, Day 49, p.223/13-25). This appears to have

prompted some of the Auditor General's more extreme language, such as the use of the word 'falsify', (Ms Webster Day 51 p.198/12-16 to p.199/24 to p.200/5).

28. However, elements of the policy approved by Cabinet did not reflect the reality faced by those dealing with the applications for assistance. As Dr O'Neal Morton said: "*when the controls are put together to submit the Cabinet Paper, they were ideal; but once you start implementing, you realize that in the interest of time and getting the monies out to stimulate the economy, those controls were not practical*" (Dr O'Neal Morton, Day 45, p.239; Response of the Office of the Premier to the reports of the Auditor General and the Internal Auditor concerning the farmers and fishers and schools and churches grant programmes 7 September 2021("**Premier's Office Response**"), ¶68 **[93-126]**). The Coronavirus Economic and Fiscal Stability Task Force ("**CEFS**") original policy paper stated its own limitations and was expressed to be preliminary: (BVI Government's Policy Response to the Coronavirus Crisis: Policy Paper, 7 April 2020, p.2 **[127-161]**). Mr Frett said the Government tried to introduce stimulus packages using pre-pandemic legislation, structures and mindsets, which "*resulted in some unachievable results*" (Mr Jeremiah Frett, Day 25, p.95/17-22 & p.96/16-17). The focus on payment to suppliers (Memo 179/2020, ¶16) iii) **[162-168]**) and Dr O'Neal Morton, Day 45; p.191/19-25) and the detailed assessment and verification procedures for the Farmers and Fishers (see Memo No. 179/2020, ¶15) **[162-168]**), for example, were not practicable (Dr O'Neal Morton, Day 45, p.163/8-12). This was intended to be an immediate relief package (Ms Corea, Day 49, p.90/25 to p.91/2). A properly formulated policy containing the necessary blunt-edged methods of getting money quickly to those who needed, while acknowledging the compromises of value for money principles, would have been more deliverable.

29. The final decision on criteria and eligibility had always been intended to be left to the implementing Department, i.e. the Premier's Office (Mr Forbes, Day 25, pp 146/15-22, 147/6-24 and 148/17-18). However, the CEFS and working group policy formulations failed to recognise the limitations of the public service when dealing with multiple programmes and the impact of the pandemic on its own staff (Dr O'Neal Morton, Day 45, p.77/1-7).

30. The initial policy in respect of Farmers and Fishers, restricted to registered applicants was based on flawed records. The Department of Agriculture's lists of registered farmers and fishers were substantially incomplete (Dr O'Neal Morton, Day 45, p.186/1-6; Premier's Office Response, ¶71 **[93-126]** and Ms Webster, Day 49 p.191/12-18)). The Auditor General commented that "*almost half of the persons on the Cabinet list of commercial farmers were not registered in the Agriculture database of registered farmers*" (Ms Webster, Day 18, p.156/18-21 and Appendices E and E1 to Memo 179/2020 **[169-174]** *(COVID Hearing Bundle [803-808]*). It was acknowledged in Memo No.179/2020 that restricting grants to registered Fisherfolk would be too stringent (Memo No. 179/2020 **[162-168]**; Premier's Office Response, ¶70). The Auditor-General acknowledged the resourcing difficulties faced by the Department of Agriculture, which she suggested should have been addressed as part of the programme (Ms Webster Day 49 p.205/23-p.206/2 & 19-24). However, there was no time for that in an emergency. Further, in the absence of proper records or assistance from the Department of Agriculture, it also seems that the Technical Team had to rely on community-knowledge about Farmers and Fisherfolk to identify those whom the programme was established to help (Dr O'Neal Morton's Fifth Affidavit, ¶¶ 2.8-

2.9 **[67-70]**). The inadequacy of the registers highlights a failure in record-keeping, a core function of the public service.

31. The eventual approach to the Schools and Churches programme was, in effect, approved by Cabinet (Memo No. 342/2020 **[175-197]** and its appendices).

32. In any event, the intention was to get the stimulus out as soon as possible, and, if necessary to seek retroactive approval from Cabinet: "*ultimately the Premier will be taking changes back to Cabinet*" (Dr O'Neal Morton, Day 45, p.239/7-9; Premier, Day 47, p.115/12-13). This is a legitimate approach for any Minister to take, particularly in such exceptional circumstances.

33. Neither accountability nor value for money were discarded, although it is accepted that substantial compromises in ordinarily applicable principles were made. The JDE payment system flagged and removed duplicated payments, to ensure that any recipients listed twice for the same grant only received payment once (Dr O'Neal Morton's Fifth Affidavit, ¶2.3 **[67-70]**). Further, the intention was to review the grants at the 'back-end', once the initial time pressure had subsided (Memo No. 325/2021 in Dr O'Neal Morton's Fifth Affidavit, Exhibit COM-5, Tab 8 **[198-200**). This was presaged in the letters received by Farmers and Fishers applicants with their grants and declarations made by the recipients of Schools and Churches grants (Appendix 3 to Preliminary Report on the Expenditure of COVID-19 Stimulus Funds by the Premier's Office **[201-300]** *(COVID Hearing Bundle [181-185])*. The review will ensure that (a) the recipient was entitled to the money, and (b) the money had been spent appropriately (see for example in respect of Farmers and Fishers, Dr O'Neal Morton's Fifth Affidavit, ¶¶2.10-2.11 **[67-70]**). If not, the recipient will have to pay the money back to the Government, as required in most countries around the world (Dr O'Neal Morton, Day 45, p.153/15-17; Premier, Day 47, p.92/17-20). The Premier's Office is preparing to ensure that if any misappropriation of Government funds via the pandemic response programmes is identified, the appropriate channels will be used to rectify the situation (Dr O'Neal Morton, Day 45, p.156/19-21). An ex post facto review was recognised as an appropriate control method by the Internal Auditor (Ms Corea, Day 49, p.74/15-17).

II.1.C. Failure to engage with auditors

34. The Commissioner heard evidence that there was a failure to co-operate with the Auditor General and Internal Auditor, and it was suggested that there was intent to impede or withhold information (Ms Webster Day 51, p.177/22-p.178/13). This suggestion appears solely to be based on the Auditor General's assumption that failure to provide information and repeated requests for extensions of time equated to a deliberate breach of duty (Ms Webster, Day 51, p.175/20-24), a suggestion firmly rejected by Dr O'Neal Morton (Day 45, p.241/18-25; p.242/1-23). The Internal Auditor assumed that the Premier's Office intended to provide all the information after the programmes had been completed (Ms Corea, Day 49, p.93/19-21).

35. The Commissioner is invited to take into account the overwhelming pressure on public officers at the time (Ms Corea, Day 49, p.90/21-24 and p.100/7-15), the disruptive effects of the pandemic (Ms Corea Day 49, p.86/1-15), and a clear lack of training in, and understanding of, the roles of an Internal Auditor especially in respect of a consultative, as opposed to an assurance, audit (Dr O'Neal Morton, Day 45, p.28/1-10; p.43/11-14;

p.177/4-8 and Ms Corea Day 49, p.68/18-21). Further, there was regrettable delay in providing the legal advice sought by the Permanent Secretary as to her duties in relation to the Auditor General (see Premier's Office Response ¶¶179 & 200 **[93-126]**). This misunderstanding within the Public Service does not appear to have been confined to Dr O' Neal Morton. The former Financial Secretary was also strongly of the opinion that the Auditor General should not audit an ongoing programme but await its conclusion (Mr Forbes Day 46, p.29/5-15). The evidence before the Inquiry supports the inference that the lack of timely cooperation arose from these factors, and not from any other reason. There is no evidence that the Premier or any other minister was personally involved in any decision in connection with the auditors.

Questions 2 & 3: reform

36. The pandemic response required the support of a sophisticated and specialist planning and policy unit within the public service (Premier, Day 33, p.186/13-14; Premier, Day 52, p.230/24; Day 52, p.235/3-7). The programmes were put together by an under-resourced and over-strained public service, in good faith dealing with an unprecedented global pandemic without sufficient policy expertise, guidance or crisis training. The Internal Auditor acknowledges in her report that "*it is highly likely that the process was constrained due to inadequacies in resources to execute the volume of works required to properly administer each programme*" (Covid-19 Stimulus: Draft Audit Report, October 2020, p.5 **[71-92]**). The problems encountered were symptomatic of the poorly developed policy-making function of the public service in the Virgin Islands. A better resourced and more policy-focused public service would have produced a practicable policy at the outset.

37. The evidence before the Commissioner is that the Government is willing to adapt and learn (Mr Frett, Day 25, p.95-96/9-14).

38. We would also suggest that better education about the utility of consultative audits is required, along with stronger policy formulation and coordination that establishes a clear roadmap for the involvement of the Internal Audit Department from the commencement of initiatives. The Premier's Office is in communication with the Auditor General and Internal Auditor with the aim of determining what procedures can be put in place to ensure a more collaborative approach and better understanding of roles in a future crisis **[301-302]**.

III. BELONGERS

Question 1: paragraph 1 behaviour

39. Of the Warning Letters on Belongers (No.2 to the Minister, "**MWL2**", No. 2 to the Cabinet and No.2 to the Premier "**PWL2**", dated 15 September 2021, collectively the "**Warning Letters**"), only PWL2 suggested paragraph 1 behaviour, in relation to decisions taken to grant Belonger Status in 2011, because Cabinet had a "*deliberate and improper motive*", 2011 being an election year (see Appendix A, 1, penultimate and final paragraphs (second page) **[303-305]**).

40. During the Hearing on Day 46 and in PWL2, points were raised and criticisms made about the grants in 2011 being outside the scheme of the Immigration and Passport Act (the "**Act**"), made to individuals who had not applied under s.16(1) of the Act or at all (Day 46, p.168/1-2, p.172/7-10; PWL2, Appendix A, 1, 1.a. and 3.a. **[303-305]**), without consultation of the Immigration Board (Day 46, p.172/7-10; PWL2 Appendix A, 1, 1.b., 2.a. and 3.b

[303-305]), involving the apparent nomination of 190 persons by individual members of Cabinet (see PWL2, Appendix A, 1, 1.c. **[303-305]**) and the risk that the applicants may not have met other requirements such as good character and length of residence (PWL2, Appendix A, 1, 1.d., 2.c. and 3.c. **[303-305]**). However, in the hearings, the suggested "*deliberate and improper motive*" was not put to the Premier. The Premier was simply invited to confirm the answer in his response to PWL2 (the "**Premier's Response**") that grants in 2011 were not made for electoral reasons (see Premier, Day 46, p.163/7-18). In those circumstances and in light of the following additional points, we submit that there are no grounds for finding an objective basis exists for a real possibility of paragraph 1 behaviour:

40.1. The decision in respect of the 190 individuals cannot have been taken for electoral reasons as none of the applicants would have been able to vote (Premier's Response at pp.5-6, 7. **[306-313]**). This point was not contested (Day 46, p.163).

40.2. The Attorney General did not advise that the grants were unlawful, at the time of the decision (Premier, Day 46, p.144/2-5 and p.176/10-11; Premier's Response, pp.4-5, ¶¶ 4 & 5 **[306-313]**).

40.3. The evidence on this issue is inherently unsatisfactory. The events took place ten years ago, not (it is submitted) within "*recent years*" (Premier's Response, p.3, ¶1. **[303-305]**). Neither the elected Government nor the COI have had the opportunity to consider the full body of contemporaneous records and documents with respect to what happened in 2011 (Premier's Response, pp.3-4, ¶2. **[306-313]**). Explanation could not be sought from the late former Premier Hon. Ralph T O'Neal (Premier, Day 46, p.143/13-17). Nor was evidence taken from any of the other surviving members of the 2011 Cabinet (Premier, Day 46, p.143/19-23).

Questions 2 & 3: reform

41. The Attorney General and the Elected Government have recognised the difficulties in respect of the Policy as defined in Appendix A to the Warning Letters (Attorney General's Submissions regarding Belonger Status at ¶¶ 36-37 **[314-324]**; Response of the Minister to MWL2 (the "**Minister's Response**"), p.6, ¶¶ (p) and (q) **[325-331]**; Minister, Day 41, p.161/9-12). There should be a properly formulated Immigration Policy to replace the unpublished Administrative Guidelines of 2004, substantial parts of which are superseded or not adhered to, (JSA7th/9.3 **[332-355]** *(Belongership Hearing Bundle, [1331-1332])*; Day 41, Mr Smith-Abbott and Mr Penn, pp.52-54 and p.56/6-8) and pursuant to which an unpublicised and potentially unlawful benchmark has been applied by the Department (Day 41, p.61/2 to p.62/17). This would provide the basis for a reform of the law and the publication of guidelines (Mr Smith-Abbott and Mr Penn, Day 41, p.45/20 to p.50/13, p.58/20 to p.60/16; Minister, Day 41, p.146/21 to p.148/11).

42. As to legislation, if a period of 20 years residence is to be used, for which there may be public support (see the consultation referred to by the Minister, Day 41, p.185/18 to p.186/25), there should be amendment of the legislation. A functioning policy formulation unit within the public service could have dealt with the 2004 proposals by developing a transparent and viable written policy or at the very least reacted to the consultation described by the Minister.

43. Published guidelines on process could iron out some of the problems identified during the evidence, such as the Department not Cabinet dealing with refusals (Commissioner, Day 41, p.202/1-22; Minister, Day 48, p.282/23-24, p.284/24-25, p.293/21 to p.295; Mr Penn, Day 49, p.26/3 to p.27/23). They could cover the Department's Point System (Commissioner's comment, Day 41, p.101/16-22), including any minimum score which should be attained by an applicant to achieve a recommendation from the Board (Mr Smith Abbott and Mr Penn, Day 41, p.89/22 to p.90/6 to p.91/14) and administering the cultural test to applicants with a particular disability or lack of aptitude (a problem identified on Day 41 by Mr Smith-Abbott, p.72/2-15). Written guidance would help to maintain the integrity of the statutory scheme (see the evidence of Mr Smith-Abbott, Day 41, p.99/1-12, and the comments of the Commissioner and Mr Smith-Abbott at p.101/23 to p.104/20). Having the multi-layered process involving the Board helps to minimise the scope of interference. Publication of the process and relevant guidance, including what to do about any attempt unduly to influence the Board's deliberations, would assist in further protecting the integrity of the scheme (Mr Smith-Abbott, Day 41, p.109/13-16 and p.110/4 to p.111/10). Provision could be included that Cabinet must give reasons for its decision, especially where it rejects a recommendation from the Board (see JSA7th/25.9 **[332-355]** *(Belongership Hearing Bundle, [1345])*; Mr Smith-Abbott and Mr Penn, Day 41, p.112/19-22).

44. Guidelines are needed on assessing character (Commissioner, Day 41, p.202/23-24), comparable to those of the UK Home Office, designed to tell "*caseworkers how to consider whether a person applying for British citizenship meets the good character requirement*" (Nationality: good character requirement, Home Office **[356-409]**). Those guidelines recognise the complexity of the issue. Whether or not an applicant will be refused depends on the level of sentence and gravity of the offending (p.11, overview **[356-409]**). They provide detailed assistance for the decision makers as to how a criminal record should be assessed (pp.12-23 **[356-409]**). With such guidelines the difficulties in respect of the Belonger Status applications considered under the fast-track Cabinet Paper, Memo No.405/2019 **[410-425]** *(Belongership Hearing Bundle, [692-707])* and the deferral of the application of an applicant with serious conviction might have been avoided (see Minister's evidence on Day 41, p.195/16 to p.214/9; Minister, Day 48, p.278/10 to p.296/14; Mr Penn, Day 49, p.14/5 to p.42/6). So might those concerning the residence applications brought before Cabinet in Cabinet Paper Memo No.262/2021 **[426-439]** *(Belongership Hearing Bundle, [1270-1283])* and the decision to grant a certificate of residence to an applicant with a criminal record *(Belongership Hearing Bundle, [1298])* (Minister, Day 48, p.299/5 to p.303/18; Governor, Day 50, p.238/3 to p.244/6; Premier, Day 52, p.115/7 to p.123/13).

45. Finally, the resources of the Department ought to be addressed (Minister, Day 41, p.144/20-21). The Department has, for some time, been overwhelmed by the workload in respect of Belonger Status and Residency applications (Minister, Day 41, p.143/20-22 and p.144/22-24; and see the Minister's Response, p.2, ¶(c) **[325-331]**). Additional resources might have avoided the inaccurate profiles which are a cause for concern (Minister, Day 48, p.285/14-16). Further training may assist in the Department's turnaround time (Premier, Day 46, p.177/4-7 and 14-16).

IV. CROWN LANDS

Question 1: paragraph 1 behaviour

46. The Warning Letters on Crown Lands (No.3 to the Minister and Cabinet and No.2 to Mr Smith-Abbott, dated 21 September 2021, the "**CLWL**") only suggested paragraph 1 behaviour in relation to the lease of Parcel 310, Block 2938B, Road Town Registration Section to Mr Bevis Sylvester ("**Parcel 310 Transaction**"), on the basis that action may knowingly have been taken "*other than in the public interest*" (see the CLWL, p.8 under 1. and pp.19-20, final paragraphs). The Minister explained that the Parcel 310 Transaction was part of a settlement of what he had been advised were two strong competing claims to Parcel 310 from Nature's Way and Delta Petroleum Limited ("**Delta**") (Responses dated 29 September 2021, the "**Response**" **[440-448]** and 7 October 2021, the "**Further Response**" **[449-545]**). The evidence about the advice is corroborated by Mr Smith-Berkeley in his Fourth Affidavit **[455-458]**. The Minister acted pursuant to that advice, resolving the long-standing problem by the Parcel 310 Transaction and connected disposal to Nature's Way (Minister, Day 48, p.252/2-3). This involved various different considerations including, in respect of Delta, the nature of its grievances and the economic benefits to the Territory of supporting its activities (Minister, Day 48 p.257/1-6; see also Cabinet Paper 396/2019 at ¶ 8) **[459-463]** *(Crown Lands Hearing Bundle, [1167])*.

47. During the Hearing on Day 48 it was not put to the Minister that he had knowingly acted contrary to the public interest. The information in respect of the Parcel 310 Transaction does not support such a suggestion. The principal points raised were the following.

    47.1. It was implied that Delta was undeserving having illegally occupied Parcel 310 and been the subject of an expulsion order from Parcel 310 which had not been enforced (Day 48, p.213/13-19; CLWL, p.18, ¶8.). However, Delta's claim included an asserted breach of a right of first refusal in respect of waterfront property, and deprivation of the sea access for which they had paid a premium in acquiring the freehold of Parcel 221 (Minister, Day 48, p.218/21-25; 1996 Policy Appendix C at 1. **[464-467]** (extracted from Response Bundle, pp.14-17); Delta's 2013 Judicial Review Application at ¶¶ 3-4 **[468-471]** (extracted from Further Response Bundle, pp.1-4)). It appears to have been considered strong by the Attorney General's Chambers ("**AGC**") (Response, pp.7-8, ¶g) **[440-448]**).

    47.2. No proper business plan had been provided by Mr Sylvester (Day 48 p.256/5-9 and the CLWL p.16, ¶1. d. & and p.17, ¶2.). However, the Minister emphasised that this was not a normal situation and the focus was on resolving the long-standing dispute (Minister, Day 48 p.251/24 to p.252/3).

    47.3. The lease was given to Mr Sylvester as an individual not to Delta (Day 48, p.239/18-20 and p.240/19-23). Reference was made to the AGC's advice in 2011 (Day 48, p.242/22 to p.243/19, and Memorandum dated 9 August 20211 **[472-473]** (extracted from Further Response Bundle, pp.29-30). However, the AGC's advice in 2011 was given in the context of the transaction *then* proposed, which included consideration, in the form of an easement, passing from Delta to the Government. There is no evidence that the Attorney General's Chambers advised against the lease being put in Mr Sylvester's name in 2019 or 2020. From the point of view of

achieving a resolution, what mattered was that Delta were content (Further Response, p.6, ¶15). How Delta then managed the situation was a matter for them.

47.4. The rent for the lease to Mr Sylvester was to be $800 a year, when it was for a regional headquarters, the land was of unique value to Delta, Delta could have been asked for market value, there was no apparent reason for giving Mr Sylvester such a good deal and no valuation had been done (Day 48, p.239/21-22, p.248/9 to p.249/7-9, p.252/15-16 & 23-25; CLWL, p.17, ¶5., p.18, ¶6., and p.19, ¶11.). However, the Minister pointed out that Delta had missed out on the use of the land as a headquarters for 15 years, that the construction of the headquarters would now cost more and that they had arguably lost substantial value in being denied their sea access (Day 48, p.253/19-24 and p.255/6-12). The absence of valuation is an issue of process, but not evidence of paragraph 1 behaviour.

47.5. Nature's Way obtained a $600,000 parcel (Parcel 290) for $1 (Day 48, p.247/1-3 and the CLWL, p.19, ¶10.) where no valuation had been obtained (CLWL, pp.18-19, ¶9. A.). However, it is common ground that Nature's Way were not granted the lease which the principal of Nature's Way was told that Cabinet had decided it was to have in 2007 **[474-477]** *(Crown Lands Hearing Bundle [1145]-[1148])*.The Minister gave a description of the prejudice suffered by Nature's Way and its principal who should have had her commercial building built years ago (Day 48, p.233/19-25). Again, the absence of valuation is an issue of process, but not evidence of paragraph 1 behaviour. The Minister was plainly focussed on resolving the competing claims.

Questions 2 & 3: reform

48. The need for published written policies and guidance setting out the process, principles and criteria to be followed with disposals of Crown Land (CLWL, p.7, 1- 3) is recognised as a priority by the Ministry and the Minister (Response, pp. 1-2, a) to c); Mr Smith-Abbott, Day 48, p.76/1-11; Minister, Day 48, p.147/22 to p.148/21 & p.170/25 to p.171/1). The lack of transparency in the role of district representatives in encouraging and facilitating disposals (CLWL, p.7, 5.; Minister, Day 48, pp.166/18 to 167/20) is one example of an issue which could then be resolved.

49. There should be consistent enforcement of the new policy to obtain and consider valuations prior to the disposal of Crown Land for residential purposes (Mr Smith-Abbott, Day 48, p.47/1-9 & p.48/2-7; JSA6th /17.3 & 17.13 **[478-515]** *(Crown Lands Bundle, [27] and [29])*.

50. Further steps probably include:

50.1. Completing the Crown Land Management Plan (Mr Smith-Abbott, Day 48, p.31/17-21, p.36/4-9 and 20-22 and p.37/19-24), which might deal with the legal status of the Estate Land Committees and enshrine their terms of reference in law as has been done in the past (Mr Smith-Abbott, Day 48, p.38/11 to p.39/19 and JSA 6th/17.23 **[478-515]** *(Crown Lands Bundle, [30])*;

50.2. Translating anti-corruption initiatives promoted by the Minister into enforceable rules and/or legislation (for example the anti-flipping provisions of the late 2020 Anegada Advisory Land Committee Terms of Reference, restricting sales beyond

a member of the family or household (Minister, Day 48, p.139/10-25; Mr Smith-Abbott Day 48, p.112/2 to 117/10 and the 2020 Terms of Reference at ¶¶5-6 **[516-520]** *(Crown Lands Bundle, [611]-[612])*;

50.3. Developing a reliable database of all Crown and publicly managed land and an agency to monitor the enforcement of the obligations of tenants of Crown Land (Mr Smith-Abbott, Day 48, p.42/8 to p.43/10).

51. The active assistance of an efficient policy development function will be needed.

V. CONTRACTS

52. 5 Warning Letters were issued concerning the involvement of Mr Claude Skelton-Cline and / or Grace Consulting and / or Grace Centre in the Virgin Neighbourhood Partnership Project in 2008 ("**VNPP**") and three contracts to provide consultancy services between 2019 and 2021. Warning Letter No.6 to the Hon. Premier dated 6 October 2021 concerned the hiring of radar barges from EZ Shipping Limited ("**EZ**") ("**PWL6**"). We deal with these in turn below.

V.A. VNPP

53. Warning Letter No. 3 to the Premier suggests paragraph 1 behaviour may have taken place in the form of "*action being knowingly taken other than in the public interest*", in relation to the VNPP.

54. There are major flaws in the reliability of the evidence on this topic for three reasons.

54.1. The events in question took place 13 years ago: the witnesses' memories of the details are hazy at best and, in some instances, non-existent (Mr Skelton-Cline, Days 45 and 47; Ms Webster, Day 51, p.183/3-5). Many of the individuals who were involved in the VNPP have left the public service or have passed away, meaning key evidence is unavailable (Premier, Day 46, p.73/5-8; p.90/8).

54.2. The records of the VNPP are equally unreliable, having been destroyed by Hurricane Irma or not maintained (Premier, Day 46, p.71/9-13). The Auditor General's report and evidence to the COI made a number of allegations about the management, monitoring and achievements of the VNPP (Ms Webster, Day 18, p.100; p.102, p.105, p.108, p.114; p.119). However, these allegations cannot be corroborated because the records upon which they are based were not preserved by the Auditor General (Premier's Response to Warning Letter No.3, ¶1.1).

54.3. The Auditor General did not publish her report or produce it to the House of Assembly or to the Governor, whether by converting it into a report pursuant to section 20 of the Audit Act 2003 or otherwise, until 2021 (Ms Webster, Day 52, p.192/21 to p.193/2).

55. There are, therefore, no reasonable grounds for the COI to make a paragraph 1 finding on this topic. The evidence is unreliable, incomplete, and over a decade old. The faults identified in the unpublished report of the Auditor reflect ubiquitous defects in policy formulation, implementation and evaluation of which the Inquiry has ample evidence. Indeed, the Hon Andrew Fahie as the minister of the relevant department at the time recognised the importance of accountability and value for money; he was instrumental in seeking the then Premier's assent to the termination of the VNPP contract with Mr Skelton-

Cline based on the unavailability of update reports (Premier, Day 46, p.98/1-25, p.9/1-8, and p.108/18-22). There is simply no objective basis to conclude that a real possibility exists that any public official acted from corrupt or dishonest motives in this connection.

V.B. Grace Consulting

Question 1: paragraph 1 behaviour

56. In March 2019 the Government entered into a contract with Mr Skelton-Cline. The nature of the role was a contract for personal services, for Mr Skelton-Cline to act as Special Advisor, although the contract was drawn-up as a consultancy agreement. This was the first of three such contracts, and it was for a short trial period (Premier, Day 47, p.169/20-25).

57. There was no tender process for the contract and the COI has queried whether there were failings in obtaining due diligence and monitoring the contract, and whether value for money had been achieved. The Warning Letters suggests that these matters constituted governance failings such that officials may have taken action knowingly other than in the public interest.

58. There was no evidence to suggest that the contract was entered for any reason other than the public interest: the purpose of engaging a Special Advisor was to alleviate capacity issues in the Public Service and to help the Premier and the Government more effectively develop and implement its policies and political priorities (Premier, Day 47, p.154/7-8). Mr Forbes agreed to Mr Skelton-Cline's engagement given the Ministry of Finance's workload (Day 44, p.206/4-6). Nor can there be any suggestion that it was improper for the Premier to take on a Special Advisor. The Premier was clear that Mr Skelton-Cline's role would be in the nature of a Special Advisor (Premier, Day 47, p.154/19-24), and he communicated this to the public officers ("*based on my discussions with the Premier, my understanding was that he was going to be the Premier's personal advisor*", see Ms Smith-Maduro, Day 44, p.53/12-19).

59. Given the nature of the contract, it was not appropriate to put it out to tender (Premier, Day 47, p. 216/19-25; Ms Smith-Maduro, Day 44, p.53/12-19; Mr Frett, Day 44, pp.183-184). There was clearly misunderstanding as to how the role should be categorised and defined and an attempt to give to it the characteristics of a consultancy in the execution of which there could be measurable achievements. But reporting on deliverables was not appropriate or practical for the role of a Special Advisor (Day 44, p.104-105). The formulation of the contract did not really reflect the role he was to fulfil. In fact, Mr Skelton-Cline was in frequent communication with Premier's Office as to matters under the contract (Ms Smith-Maduro, Day 44, p.77-78 & p.97/20-23) and he briefed Mr Frett in detail as to ongoing projects when Mr Frett took office as acting Financial Secretary (Day 44, p.151/1-15). While Mr Forbes considered the reports to be inadequate (Day 44, p.211/15-17), this may have been because he had not fully understood the nature of the contract. Mr Forbes' oral evidence suggests that he saw the contract in terms of deliverables rather than advice and support for the minister's political objectives and priorities (Day 44, p.213/16-19). However, at the relevant times Mr Forbes was understandably so busy that he was unable to devote much time to considering the contract (Day 44, p.210/8-20). It was not put to Mr Forbes that the contract was for the role of Special Advisor although the witnesses closest

to the matter agreed that the role was that of Special Advisor. Significant work was completed under the contract as set out in the Premier's Response to Warning Letter.

60. As for due diligence, Ms Smith-Maduro was aware of Mr Skelton-Cline's experience from personal knowledge (Day 44, p.54/3-22). Public officers would not have been aware of the contents of the Auditor's report in relation to the VNPP, as it was not published until 2021 (Premier, Day 47, p.167; Ms Smith-Maduro, Day 44, p.55/17-19). Ms Smith-Maduro was aware that there had been a report in the public accounts committee in relation to the Pier Park but was not aware of the contents (Day 44, p.55/3-5). Ms Smith-Maduro also explained that sometimes certificates of good standing are not ready in time for contracts to be signed, but it is made clear to the contractor that they will not get paid until a certificate is received by the Ministry (Day 44, p.65/1-23). Mr Skelton-Cline was not given any special treatment in this regard (or at all).

61. The engagement of a Special Advisor was entered into solely for the public interest. Although as set out below there were some problems with the way the contracts were drafted, these were unintentional and the product of misunderstanding and fall far short of the serious criminal conduct required for a 'Paragraph 1' finding.

Questions 2 & 3: reform

62. Ms Smith-Maduro was candid in her evidence about the fact that there were mistakes in the initial contract due to the wrong template inadvertently having been used (Day 44, p.59/13-14; Ms Smith-Maduro's Response to Warning Letter No.1, ¶12 **[521-524]**). Ms Smith-Maduro said that learning from this experience, the Attorney General's Chambers now checks contracts (Day 44, p.60/2-17) to avoid these sort of errors caused by 'self-lawyering'. This is a welcome development, and it is recommended that the Ministries should continue to involve the Attorney General's Chambers in drafting such contracts.

63. There was also a mismatch between the contracts as drafted, which failed to capture the intended role and the real nature of the services to be provided by Mr Skelton-Cline (Mr Frett, Day 44, p.154/21; Day 44, p.178/12-14; Day 44, p.180 / 9-23; Premier, Day 47, p. 225/10-21; Premier, Day 47, p.200/5). The use of special advisors has been a long-standing practice, but the practice has been to contract and pay them as consultants. Mr Forbes evidence was that he had harboured concerns about this type of contract 'for eons' (Day 44, p.199/19-20).

64. The Ministry of Finance, with input from the Deputy Governor's Office, has now developed a policy for the explicit recognition and engagement of ministerial Special Advisors, along with terms of reference and requirements for declarations of interest (see Memo No. 281/2021 as referred to in ¶13 of Ms Smith-Maduro's Response to Warning Letter No.1 **[525-527]**). This is an important development in regularising and setting a firmer policy basis for the use of Special Advisors in the Virgin Islands.

V.C. EZ

Question 1: paragraph 1 behaviour

65. PWL6 suggested that the Premier's behaviour in relation to EZ may fall within paragraph 1, because he had abused the authority of his office by taking decisions or action without any or any adequate authorisation by the National Security Council ("**NSC**") or Cabinet

(PWL6, p.14, last paragraph). It has not been suggested that the Premier acted with any improper motive.

66. Taking action or decisions without any or any adequate authorisation from the National Security Council or Cabinet, might, if established, afford public law grounds to challenge the decision or action. However, even if so, it is submitted it does not amount to paragraph 1 behaviour.

67. An examination of the following specific matters raised, demonstrates that the Premier's actions were plainly taken in good faith, in the public interest and in response to a serious matter of public concern, and with the support of the JTF.

    67.1. The radar barges were deployed on 23 August 2020 prior to NSC and Cabinet approval being given (Day 52 p.133/23 to p.134/2; p.140/25 to p.141/2; p.191/6-9; see also PWL6, p.12, ¶23 a)). However, on 24 July 2020, the NSC had decided that *at least two radar platforms* were to be included in the immediate priority funding areas to be taken forward (Premier's Response to the Warning Letter "**EZ Response**", at ¶6 **[528-538]**; NSC Expedited Extract Memo No. 011/2020 **[539-540]** *(EZ Shipping Hearing Bundle, [3609-3610])*. The JTF knew about the plan to deploy the barges (Premier, Day 52, p.141/5-9).

    67.2. Counsel to the Commission referred to the cost-benefit analysis' passages saying that the radar barges were a short-term solution with no guaranteed benefits (Day 52, p.147/22 to p.149/2). However, that analysis also concluded that it may be *prudent* to use the barges, pending the long-term solution of land-based radar, as the cost paled in comparison to the cost of a further lock-down caused by COVID-19 introduced by a border breach (EZ Response, ¶5, and Appendix I to the NSC Paper dated 22 July 2020, p.14, **[541-556]** *(EZ Shipping Hearing Bundle, [3601] and Conclusion [3602] first two paragraphs)*). The cost of the lockdown was about $3 million a day (EZ Response, ¶11; Premier, Day 52, p.149/6-8). The importance of securing the borders and the usefulness of radar is now common ground (Commissioner, Day 52, p.144/15-23).

    67.3. Any suggestion that all the branches of the JTF were opposed to the use of radar barges (Mr Jaspert, Day 52, p.70/14-19 & p.80/4-7 & 12-19) are incorrect and should be rejected. HM Customs were clear that small boats were not the answer (Day 4, p.40/23 to p.41/25). The '*Border Security Plan Equipment and Resources Costing*' signed by Mr Lettsome at at p.2, ¶¶2-4, **[556-559]** *(EZ Shipping Hearing Bundle, [3580-3583])* echoes the passages of Appendix I to the July NSC Paper referred to above. Mr Smith said that Customs did not share the Police Commissioner's concerns about the radar barges: see Day 4, p.80/24 to p.81/5. The strengths of the barges were summarised in Mr Smith's SWOT Analysis for a presentation given in February 2021 (EZ Response, ¶1; **[560-583]** extracted from EZ Response Bundle). Nor do the Immigration Department appear to have shared the Police reservations about the use of the barges (Mr Penn, Day 5, p.125/14 to p.126/4; p.134/10-16; p.153/11-17).

    67.4. Approval was obtained retrospectively (Day 52, p.192/2-4; PWL6, pp.12-13, ¶¶ 23 b), 23 d) & 23 e) -f)) and deployment continued after the expiry of the First and Second Contracts (Day 52, p.161/25 to p.162/2; PWL6, p.13, ¶23 c)). However, the

Premier's actions and decisions were based on the analysis of the JTF and the risk posed by illegal incursions, pending receipt of approval from Cabinet and the NSC, which was taking too long due to delays with the necessary paperwork, a symptom of the under-resourced public service (EZ Response at ¶¶18-20). The Premier was supported by the reports from the JTF as to the positive effect of the radar barges, reflected in the papers prepared for Cabinet and the NSC and the ensuing decisions. In addition to the summary at **[584]** *(EZ Shipping Hearing Bundle, [2042])*, there was a JTF briefing on the effectiveness of the barges (Premier, Day 52, p.163/15-16; Mr Jaspert, Day 52, p.96/11-15). There is consistent evidence that the barges cut down sea traffic generally (Commissioner, Day 52, p.158/7-10; Premier, Day 52, p.168/21 to p.169/1). Deterrence was the proper measure of effectiveness in this context (Premier, Day 52, p.169/5-8). Payments were made with the authorisation of the Financial Secretary (Premier, Day 52, p.192/18-22). The Financial Secretary was supportive of the use of the barges (see NSC Memo No. 016/2020, 13 September 2021, at ¶15 **[585-588]** *(EZ Shipping Hearing Bundle [3626-3627])* and the letter attached as Appendix D to NSC Memo No. 021/2020 **[589]** *(EZ Shipping Hearing Bundle [1879])*.

67.5. In the circumstances, it was appropriate to waiver the tender process pursuant to regulation 170(2) of the PFMR for the Second and Third Contracts (criticism in PWL6, pp.13-14, ¶23 g)), and Cabinet can be taken to have done so, pursuant to the Financial Secretary's advice that it could (EZ Response, ¶¶ 16 and 27; Cabinet Paper 555/2020, 8)-9) **[590-595]** *(EZ Shipping Hearing Bundle [3914-3915])*, and Cabinet Paper 73/2021, 9)-10) **[596-601]** *(EZ Shipping Hearing Bundle [3960])*.

67.6. There were delays in obtaining money to improve the JTF's interceptor boat capabilities (Day 52, p.159/4-8). However, the Premier insisted that money was provided as soon as the issues with the interceptor boats were drawn to his attention, although delays were caused by difficulty in obtaining parts (Day 52, p.159/19 to p.160/16).

67.7. The barges deployment was wound down once it had become apparent that the long-term solution was too far off (one month had been hopelessly optimistic, see EZ Response, ¶22 and Premier, Day 52, p.151/19-21) and a clearer picture had emerged with respect to the pandemic and the arrival of vaccine doses (EZ Response, ¶23).

67.8. There was a policy objective of the BVI drawing on its own resources to facilitate and fund its own security (Mr Jaspert, Day 52, p.85/13-15; EZ Response, ¶11).

67.9. The Attorney General did not advise that the decisions taken or actions pursued might be arbitrary or abusive (EZ Response, ¶28). Nor did the former governor use his veto or powers under subsections 60(8) or 57(3) of the Constitution to prevent the Second and Third Contracts (EZ Response, ¶28).

Questions 2 & 3: reform

68. The ability to plan and produce Cabinet Papers and NSC Memoranda at greater speed, would have avoided the need for retrospective endorsement of the decisions and actions taken by the Premier.

CONCLUSIONS

69. It is therefore submitted that there is no proper basis for paragraph 1 findings in the areas examined above.

70. The Elected Government is keen to implement changes see for example in respect of Statutory Boards (paragraphs 21-23 above), Pandemic Schemes (paragraph 37 above), Immigration (paragraph 41 above), Crown Lands (paragraphs 48-50 above) Contracts (paragraph 64), the review of the pay structure in the Public Service (the Governor, Day 50, p.235/4-11) and the Public Service Transformation Programme being taken forward by the Governor's Officer and the Premier, which includes the establishment of a policy and planning unit within the Premier's Office (the Governor, Day 50, p.195/6-15 and p.236/4-12).

71. What is fundamentally required is sustained support, training, and assistance to the higher levels of the public service in developing an understanding of the need and role for detailed planning and transparent written policy formulation and development, within express legal parameters, to implement the political objectives of a government and to inform and guide all aspects of ministerial decision making. That understanding must be reflected in a new, fully resourced, policy unit dedicated to formulating policy and coordinating its development, implementation, monitoring and evaluation throughout the ministries.

72. Furthermore, basic disciplines such as presenting decision papers with the policy options for ministers to decide upon and minuting ministerial discussions and decisions are not consistently or regularly observed. Their absence means that no record for the basis of decisions is kept, leaving both ministers and officials open to the charge of lack of transparency and to questions about the reasons for those decisions. This requires a substantial culture change, which Ministers would fully support, to embed within the executive arm of the government of the Virgin Islands disciplined processes of recorded decision-making driven by developed and thought-through policy. If this can be accomplished, many of the weaknesses of governance examined by the Commission of Inquiry would be avoided. It is submitted that the Commissioner alighted on the central issue in the following exchange with the Premier, in his evidence on Day 52, p.229/9 to p.230/2:

> "COMMISSIONER HICKINBOTTOM: But can I just take you up for one thing on contract-splitting, what's called "contract-splitting"?
>
> THE WITNESS: Um-hmm.
>
> COMMISSIONER HICKINBOTTOM: There would be nothing wrong—in my view, there would be nothing wrong as a matter of policy for a government to take the view that it would be it's right, as a matter of policy that we split up projects and give it to smaller builders. It may cost more, but as a policy that's a policy that we want to pursue.
>
> But if you are going to pursue that policy, wouldn't you have to have some assessment on how much the policy would cost? So, a paper saying, Look, if we do this project with one contractor, it will cost a million dollars. If we do it with 22 contractors or 12 contractors, it will cost more. It will cost $1.3 million. But it's worth

it because economically it has advantages, and as policy that's what we want to do. But on the documents that we have seen, that's not what happened."

73. That insight is precisely the point the ministers have been making throughout the Inquiry. The effective fulfilment of any government's political priorities depends on the public service's ability to propose and design detailed policy solutions that comply with the principles of good governance and the rule of law and then efficiently to implement and evaluate them. For the reasons they have advanced elsewhere, elected Ministers are only very infrequently able to count on such support.

Hon Dawn J. Smith, Attorney General

Sir Geoffrey Cox QC

Edward Risso-Gill

(Counsel for the Attorney General)

Hussein Haeri

Niki Olympitis

Withers BVI

22 November 2021

CONFIDENTIAL

INTERNAL AUDIT DEPARTMENT

GOVERNMENT OF THE VIRGIN ISLANDS

GOVERNMENT MINISTRIES – ASSISTANCE GRANTS PROGRAMMES

AUGUST 2014

DRAFT REPORT

TABLE OF CONTENTS

1.0 INTRODUCTION..... 2

2.0 AUDIT SCOPE..... 3

3.0 AUDIT OBJECTIVES..... 3

4.0 STATEMENT OF ASSURANCE..... 3

5.0 METHODOLOGY..... 3

6.0 AUDIT CRITERIA..... 4

7.0 PRIOR AUDIT COVERAGE..... 4

8.0 AUDIT LIMITATIONS..... 4

9.0 FACT AND FINDINGS..... 5

10.0 RECOMMENDATIONS..... 15

11.0 CONCLUSION..... 16

12.0 APPENDICES..... 17

1.0 INTRODUCTION

AUDIT MANDATE

1.1 The Internal Audit Department is mandated by the Internal Audit Act, 2011 (Act No.1 of 2011) to evaluate and report on the adequacy and effectiveness of internal controls of public authorities to provide assurance that risk is identified and managed, and the operations of the public authority are performed in accordance with policies, procedures and the law.

BACKGROUND

1.2 Assistance Grants Programmes were developed to provide various assistance to citizens who require or need financial help because of various reasons. The Government of the Virgin Islands operates various Assistance Grants Programmes through different Government Ministries and Departments. Amounts are allocated through the Budget Process each year ranging from an approximate cumulative total of Three Million Two Hundred and Thirty-Seven Thousand Dollars ($3,237,000) in 2009 to Two Million Nine Hundred and Seventy-Eight Thousand One Hundred Dollars ($2,978,100.00) in 2013. Although the amounts allotted to each Ministry may not be significant in comparison to their individual annual budgets, it is important in any service delivery industry that processes are reviewed to ensure that customer satisfaction is maintained. Additionally, it is important to make sure that in administering such programmes with public funds, adequate processes and controls are in place to govern the disbursements from abusive practices.

1.3 Of the seven (7) Ministries/Departments of Government only five (5) facilitate Assistance Grants Programmes. The reasons for the need for these programmes encompass medical, financial, educational purposes, civic and social, religious, organizational, legal and special needs. ***See Appendix I – Table 1 for a listing of all assistance grants programmes currently administered by the Government of the Virgin Islands based on the 2013 Budget Estimates.***

INTERNAL CONTROLS

Definition

1.4 Internal control is a process effected by an entity's Board of Directors, management, and other personnel designed to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

1.5 The management of the programme is responsible for the development, implementation and monitoring of control activities. The deployment of appropriate policies and procedures, while providing adequate supervision of the function are some common types of control activities.

2.0 AUDIT SCOPE

2.1 The scope of the audit includes an examination of assistance grants issued for the last five (5) years. Assistance grants issued under departments were not included in the scope of this exercise, however information pertaining to their purpose and structure were considered in evaluating and assessing the programmes administered by Government Ministries.

3.0 AUDIT OBJECTIVES

3.1 The objectives of the audit included:

3.1.1 To give assurance to the adequacy of control systems in place to safeguard disbursements from abusive practices.

3.1.2 To assess the disbursement process for appropriateness, equity and efficiency.

4.0 STATEMENT OF ASSURANCE

4.1 In accordance with ***Section 13 (b)*** and ***Schedule 2 (i)*** of the ***Internal Audit Act, 2011,*** an audit report shall include a statement as to whether or not the audit was conducted in accordance with generally accepted auditing standards.

4.2 The Internal Audit Department cannot declare at this time that the Internal Audit activity (the operations of the Department) conforms to any internationally recognized auditing standard due to the fact that this declaration can only be made after the results of a quality assurance and improvement programme (external review) that supports this statement.

4.3 However, we can provide reasonable assurance that this audit was planned, adequately supervised, and that sufficient work was performed and evidence gathered to support the findings and conclusions in this report. The conclusions were based on a comparison of the conditions as they existed at the time of the audit against the audit criteria.

5.0 METHODOLOGY

5.1 In order to fulfill the requirements of the audit objectives, our audit methodology was developed to provide reasonable assurance that our evidence gathering or audit documentation was adequate and supports the objectives and conclusions of the audit. To this end, a summary of these methodologies included:

5.1.1 Interviewing staff members responsible for performing various functions related to processing and monitoring of requests for assistance grants across various Ministries.

5.1.2 Reviewing applicable policies and procedures and relevant laws and regulations applicable to the granting of assistance.

5.1.3 Documentary evidence was derived from files and records of the various Ministries who administered an assistance grants programme as part of their portfolio.

5.1.4 Other documentary evidence was obtained from the JDEdwards Accounting Software System that is used to process payments for assistance grants.

6.0 AUDIT CRITERIA

6.1	The roles and responsibilities of stakeholders should be defined.
6.2	Operating policies and procedures should be communicated to employees responsible for the administration of the programmes.
6.3	A comprehensive management control framework should be in place to ensure that operational activities are adequately monitored and supervised.
6.4	Internal controls should be in place to ensure that the programme achieves its operational, financial and compliance objectives.
6.5	Relevant records should be maintained to support all actions taken by the various Ministries.

7.0 PRIOR AUDIT COVERAGE

7.1 Based on our records, the Department conducted a review of the Assistance Grants Programme administered by the House of Assembly in 2009. Additionally, a review of the Public Assistance Programme administered by the Social Development Department was conducted in 2010. However, no review has ever been undertaken of each Ministry's Assistance Grants Programme.

8.0 AUDIT LIMITATIONS

8.1 Files were requested from the Ministry of Finance and Economic Development and the Ministry of Health and Social Development to assess their request and approval processes for their Assistance Grants Programme. However, these documents were not presented as the Ministry of Finance recently relocated to a new office due to their office being under renovations. Therefore, the files were not readily accessible and as a result were not submitted for our review. The Ministry of Health and Social Development, although having access to their files stated that the files were in an unhealthy condition (mold). It was explained that efforts would be made to sanitize these files; however, this was not done within the requisite timeframe allotted for the exercise and therefore the exercise proceeded without this information.

8.2 As a result of these two situations, the auditors relied on information documented within the JDEdwards Accounting Software to present their findings and conclusions in relation to these Ministries.

9.0 FACT AND FINDINGS

General

9.1 Based on the 2009 Budget Estimates, the Government of the Virgin Islands approved Three Million Two Hundred and Thirty-Seven Thousand Dollars ($3,237,000) in assistance grants funds for Assistance Grants Programmes under various Ministries. Although, this amount is not substantial in relation to the total budgeted expenditure for the year (1%), the funds being disbursed are Government funds and should be adequately managed and accounted for. The pie charts below shows a summary of the budgeted allotment approved for each Ministry for 2009 and 2013. In addition, ***Table 1 and Figure 1 in Appendix II provide a summary of the budget and actual expenditure for these programmes over the scope years 2009-2013.***

Figure 1 - Government Budget for each Ministry's Assistance Grants Programme for 2009

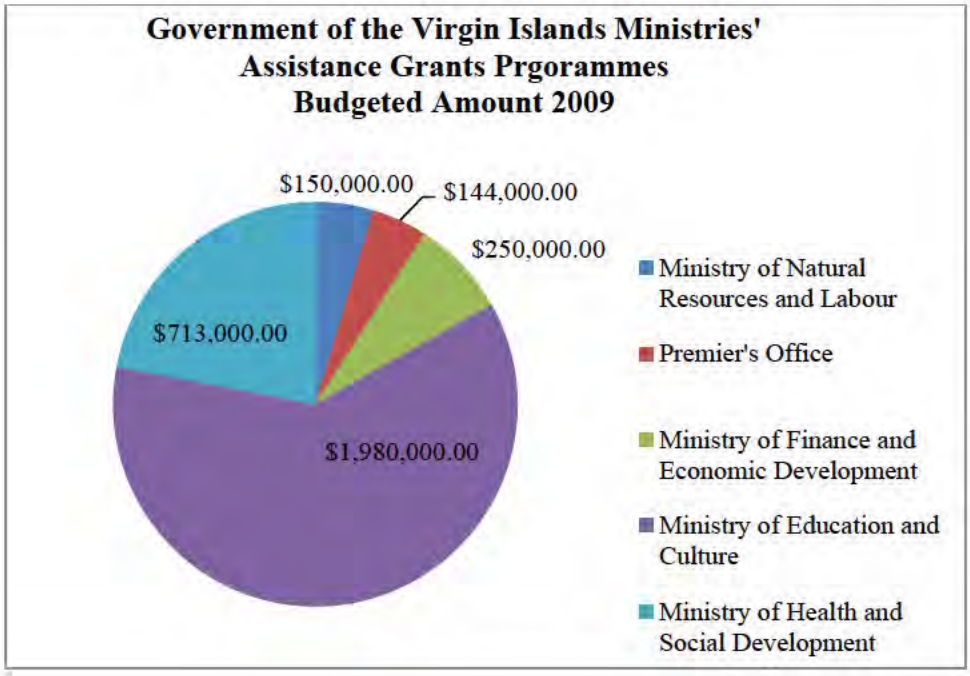
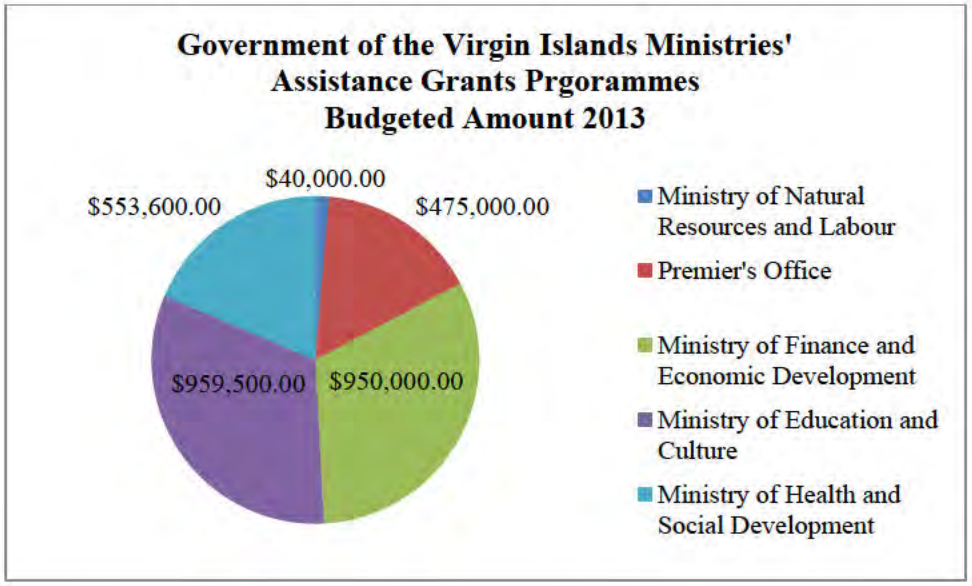


Figure 2 - Government Budget for each Ministry's Assistance Grants Programme for 2013



9.2 During a previous audit on the House of Assembly's Assistance Grants Programme, it was discovered that multiple Assistance Grants Programmes exists throughout the Government. ***Table 1 in Appendix I identifies the various Departments and Ministries under which these programmes fall.*** A comparison between the House of Assembly's Assistance Grants Programme and those administered by various Ministries revealed that each Ministry's programme coincides with the purposes for which assistance is administered through the House of Assembly's programme (HOA). The only difference observed was that the Ministries' programmes were, in most cases, based on Ministries' subject matter, for example, the Ministry of Education and Culture administers assistance for educational and cultural purposes, while the House of Assembly's programme was broader encompassing grants for all subject matter. Therefore, it is uncertain why the programmes within various ministries are needed, as for the most part there appears to be clear duplication in the grant programmes.

9.3 Some of the duplication within the programmes may be attributed to the lack of awareness by internal stakeholders that numerous grant programmes exist throughout the Government; therefore, there is a lack of coordination among the various Ministries when issuing assistance. Consequently, there is an inability for officers to conduct adequate scrutiny of requests for assistance.

Objective 1: To give assurance to the adequacy of the control systems in place to safeguard disbursements from abusive practices.

9.4 For each of the Assistance Grants Programmes reviewed, it was observed that Ministers have ultimate authority to approve requests for assistance. Permanent Secretaries/Accounting Officers although vested with the responsibility, by law, to manage and account for the funds allocated to the various programmes have little to no involvement in the approval or denial of the assistance. Unfortunately, this situation thrusts Permanent Secretaries into a compromising position whereby they are accountable for funds for which; in essence, they lack the necessary authority to approve or deny expenditure without the Minister's approval. This in turn, misrepresents the role of the Accounting Officer.

9.5 The audit revealed that there are no formal procedures in place within the Ministries for requesting assistance. Letters are accepted by all ministries to substantiate requests for assistance. However, these letters are generic in nature and provide little documentation/information to support the request. Some Ministries, depending on the request, indicated that they would require individuals to submit additional information, however; this does not occur in all cases and is not mandatory, as was evident from the documentation reviewed. Therefore, the audit could not find any objective basis on which assistance was being approved or denied.

9.6 As a form of control, some ministries issued payments directly to the institutions for which the applicant requested the assistance. This control we find to be effective in ensuring that the grant award was used for its intended purpose. However, this type of control was not evident across all grant programmes administered by Government as in most instances grant payments are issued in the name of the person making the request. Therefore, there is a reliance on the applicant to use the grant for the purpose for which it was requested. We find that this practice, coupled with the lack of substantive documentation, leaves the programmes susceptible to abuse as persons may request assistance and use the funds for illegitimate purposes.

9.7 The audit observed that some programmes had multiple requests from the same individual. In addition, repeat requests were also identified for the same individual across different programmes for the same purpose. For example, there were persons and organizations that requested and were awarded funds from the Premier's Office and from the Ministry of Health and Social Development for medical purposes. This occurred mainly due to the lack of preventative controls for processing applications where duplicate requests are made with multiple agencies. Although it is the understanding that once the request is approved by the Minister it must be processed and it is not a requirement to conduct crosschecks, approximately sixty percent (60%) of the officers interviewed indicated that from time to time they use their judgment and make contact with other agencies (HOA, PO) to verify if similar requests were received. The outcome as a result of these checks was not always a denial of the request, but in most instances the approval of a lesser amount by the Minister. Situations such as these, we find supports the behaviour of applicants to submit multiple requests to multiple Ministries, and thereby use the programmes to their own advantage.

9.8 The audit also found that there are no clear lines of communication within the request and approval process to inform applicants as to the status of their request. No information is provided until the assistance is approved, in which case the applicant is notified. Applicants are not notified of denied applications unless an inquiry is made. Therefore, reasons for denial of requests are not provided to applicants. This diminishes transparency of the process and leaves applicants unclear as to why a certain decision was made.

9.9 The Premier's Office and Ministry of Finance and Economic Development were identified as having similar assistance grants programmes to the one established at the House of Assembly, as they can provide assistance for a broad range of requests. Although, the subhead from which assistance was made during 2009 – 2012 from the Ministry of Finance was described as 'Special Projects', the nature and purpose for which a portion of the funds were expended were for assistance to various individuals and organizations. Additionally, it was observed that certain requests submitted to the Premier's Office were forwarded to the Ministry of Finance for approval and processing. It is not certain why these requests submitted to the Premier's Office were forwarded to the Ministry of Finance; however, it does signify that these two programmes fulfill the same purpose and there is a possible duplication of resources (financial and human) in their operations.

The following findings relate to specific issues that require special mention with reference to the assistance grants programme administered by the Ministry of Education and Culture.

9.10 In an effort to adequately test the operations of the educational assistance grants programmes under the Ministry of Education and Culture (MEC), four (4) educational programmes were reviewed. During 2009 to 2012, the Ministry of Education and Culture (MEC) administered two programmes from which educational assistance grants could be approved, the Graduate Assistance Programme and Assistance Grants in addition to the Scholarship Programme they operate. The Training Division's Study Leave Programme was also considered as it provides the same opportunity as these programmes. Evaluations of these programmes revealed the following situations which highlights instances of possible abuse of funds:

9.10.1 Seventy-eight (78) disbursements from the Training Division's Study Leave Programme, the MEC Graduate Scholarship Programme and Assistance Grants Programme revealed the following findings detailed in *Table 1 below*:

Table 1 - Issues identified within the Ministry of Education and Culture – Graduate Scholarship and Assistance Grants Programmes and Training Division's Study Leave Programme (2009-2012)

Description of Issue	Frequency
Students simultaneously receiving funds from the Graduate Assistance Programme and from Training Division Study Leave Programme	6
Students simultaneously receiving funds from the Graduate Assistance Programme and from the Ministry of Education and Culture's Assistance Grants Programme	14
Students simultaneously receiving funds from the Graduate Assistance Programme, from the Ministry of Education and Culture's Assistance Grants Programme and Training Division Study Leave Programme	1

9.10.2 As part of the MEC's Assistance Grants Programme practice/policy, persons granted assistance can only receive assistance once within a particular year. This stipulation is also communicated to individuals in letters issued when the assistance is disbursed. Despite this stipulation, the audit discovered that there were at least fifty-five (55) repeat applicants of which twenty (20) received assistance within the same year. This indicates that these awards were made contrary to the practice/policy and indicates that the practice/policy, in essence, is not enforced or adhered to, making it easy for the programme to be abused.

9.10.3 From a sample of one hundred (100) scholarship students, seventeen (17) were identified as having received scholarships ranging from Twelve Thousand Dollars ($12,000) to Twenty-Two Thousand Five Hundred and Fourteen Dollars and Seventy-Eight Cents ($22,514.78) annually and the scholarship is be subsidize and augmented through the Assistance Grants programme from within the Ministry of Education. ***See Table 1 in Appendix III for a summary of this occurrence.*** However, when scholarships are awarded, students are required to indicate how the remaining additional expenses over the scholarship amount will be met. The need for them to now apply for additional funds indicates that the information conveyed on the scholarship application was possibly false or misrepresented. ***Table 2 in Appendix III provides further information on the funds received by these various categories of students as identified in the scenarios above.***

These observations all highlight control weaknesses within the process that have given rise to such issues and the facile manner in which abusive practices can materialize within the process.

9.11 The Ministry of Education and Culture also requires that students who have received assistance submit a copy of their transcript to show their enrollment and progress with their course of study. Although, this requirement is communicated to students, the fulfillment of the requirement is not monitored nor enforced, as in more than ninety percent (90%) of the requests reviewed no evidence was found of a transcript or programme audit being submitted to the Ministry. This again portrays a weakness in the enforcement practices of the Ministry.

9.12 A sample of one hundred (100) requests was reviewed from the Ministry of Education and Culture. This review revealed the following observations which highlights various means through which the programme can be further abused due to the absence of adequate controls to govern the process:

9.12.1 Persons obtaining an initial assistance, returned to the Ministry indicating that the amount granted was insufficient and requested further consideration for additional amounts. This at times resulted in multiple assistance amounts being granted or the initial award being revoked and a larger amount being approved. This we find disenfranchises other individuals as due to the limited availability of funds, if one person receives multiple assistances, limited funds would be available to assist other individuals.

9.12.2 Grant award amounts are determined on a discretionary basis as it was observed that some applicants requested a certain amount and were given the full amount of their request while others were given an amount below what was requested. No clear justification was found indicating how the amounts were determined and therefore portrays possible inequity in the manner in which amounts are approved.

9.12.3 Persons working in the Ministry also siubmit requests for assistance. Although these officers are also eligible to participate in the programme, special care should be exercised to ensure transparency and accountability is maintained by ensuring that these individuals submit adequate documentation to support their requests, as the perception of favoritism can materialize. The audit found that adequate information, such as the cost of programmes, invoices, and the submission of grades to support requests were not submitted in all such cases.

9.12.4 Requests for educational assistance were forwarded from the House of Assembly to the Ministry of Education on at least three (3) occasions. This highlights the question as to whether the Assistance Grants Programme at the House of Assembly can adequately support and evaluate such request or whether such grants should be awarded solely by the Ministry responsible for the subject matter.

9.12.5 In one of the files reviewed, a scholarship was withdrawn from a student who failed to maintain the required grade point average (GPA) stipulated by the Ministry. As a result, a request for assistance was made and approved to assist the student in completing his/her degree. The amount granted was nine thousand dollars ($9,000), the same amount that the student would have received under the scholarship. The approval of this request provided a means to circumvent the Ministry's policies and highlights the manner in which the assistance grant programme can be susceptible to abuse. This case also highlights a communication deficiency within the Ministries across the various programmes being administered, as there appears to be a clear case of breakdown in communication, where in one programme funding was withdrawn, however, approved within another programme within the same Ministry.

Objective 2: To assess the disbursement process for appropriateness, equity and efficiency.

9.13 Assistance Grants Programmes are not monitored or evaluated to determine their effectiveness and efficiency. Goals and objectives were not created for any of the programmes and as such monitoring of their performance in the achievement of such objectives is not conducted. Similarly, no performance measures have been developed, such as processing time, to rate the efficiency of the programme.

9.14 The notes of the Budget Estimates provide general guidelines by which disbursements from the Assistance Grants Programmes in various Ministries are approved. These notes, however, are general in nature and do not consider specific administration of how the various programmes should be governed. There are no additional policies or guidelines that have been developed by Ministries to guide any of the assistance grants programmes they administer. As such the programmes are subjective, lack transparency and equity in the approving of assistance grants.

9.15 Prudent budgeting methods are not used in determining budgets for assistance grants programmes. The standard practice is to submit the previous year's budget as the budget for the current year based on instructions from the governing authority. For example, no consideration is given to how much each applicant will be given from each programme or which requests will take priority. As a result, most Ministries had to reallocate funds to their assistance grants programmes to cover the actual expenditure.

9.16 From interviews conducted, it was revealed that the amount of assistance awarded to a single applicant is left to the Minister's discretion. The Minister determines the amount deemed suitable based on the need for the assistance and the amount being requested. It was revealed during testing that some applicants received one hundred percent (100%) of their request while others received only ten percent (10%) of the amount requested. No criterion was found being used to determine how much assistance would be awarded in response to each request. It was conveyed that at times meetings may be held between the applicant and the Minster to assist in understanding and determining an amount to approve in response to a particular request, but no documentation of these meetings was found on the files reviewed. The lack of such information removes transparency and equity with reference to the decisions made. Additionally, the absence of clear standards and criterion in approving assistance grants has the potential for the programme to be viewed as unfair and non-transparent. ***Table 2 below outlines our findings in regards to testing done related to this observation. Table 1 in Appendix IV also outlines a description of the type of requests submitted, the supporting documentation submitted to support the request and the amounts requested and approved for each request.***

Table 2: Disparity in approval of assistance in response to requests made by applicants

Ministry	Sample Size	Number of applicants who received 100% of	Number of applicants who received less than 100% of their request	Number of Persons who received greater than 100% of their request	Undetermined
Ministry of Natural Resources and Labour	40	10	23	0	7
Premier's Office	122	15	32	2	73
Ministry of Finance and Economic Development	72	0	0	0	72
Ministry of Education and Culture	100	28	33	6	33
Ministry of Health and Social Development	100	0	0	0	100
Total	**434**	**53**	**88**	**8**	**285**

Notes:

Undetermined Category - This category is undetermined because no requested amount was stated or the letter from the applicant making the request was not presented, in the case of the Ministry of Finance and the Ministry of Health. The decision on an amount to be granted was left up to the Minister.

Files were not presented for the Ministry of Finance and the Ministry of Health so adequate analysis could not be done as required as part of the audit exercise for these Ministries.

9.17 Based on the vague and broad nature of the notes that accompany the budgets for assistance grants, disbursements were found to be made in alignment with these notes. Only one instance was identified, within the Ministry of Natural Resources and Labour, where assistance was approved but was not in line with the purpose of the subhead. Inquiries to determine the nature of the request and why approval was granted proved futile as adequate records were not maintained and the current staff of the Ministry was not working within the Ministry when the request was processed. This highlights the need for the collection and maintenance of adequate information on decisions made by Minister/Ministries to substantiate the approval of amounts.

9.18 It was also stated during interviews that no criterion is used to prioritize requests, especially in light of the budget allotment provided for the Ministry and for the programmes. Instead requests are handled on a first come first serve basis.

9.19 Instances were identified where Ministries/Departments undertaking various annual events/activities for their entities solicited assistance from various Ministers to fund the activities/events. Although these events are regularly carried out by the entities, they are not budgeted and funded under the Ministry/Department during the normal budget process and a dependency has been created whereby, these activities would be funded requesting assistance through the Assistance Grants Programmes. For example, the Ministry of Health and Social Development holds a Mother and Father of the year event annually for which they seek financial assistance from the Premier's Office for the awards for this event. Each year, the Ministry writes to Premier's Office and receives a donation toward this initiative.

9.20 Based on research conducted, it was found that there are other departments who administer similar assistance grants programmes to those of other Ministries. These instances again all illustrate the manner in which avenues can be opened whereby persons can exploit the programmes to their advantage. A few examples of where such instances were identified are provided:

9.20.1 The House of Assembly's Assistance Grants Programme is similar to the assistance grants programmes administered by the Ministry of Finance and Economic Development and the Premier's Office. These programmes are all used for administering assistance to persons with varying needs from educational, medical, financial hardship, etc., though the Ministries' programmes are on a much smaller scale to that of the House of Assembly.

9.20.2 The Ministry of Health and Social Development administers a Special Needs Programme to persons in need (at least 3 persons identified). The Social Development Department also administers an assistance grants programme to persons in need. It is uncertain why these programmes were not combined instead of having two (2) separate programmes administering the same assistance, duplicating efforts and resources.

9.20.3 The Department of Culture through the Ministry of Education and Culture administers a programme for cultural assistance during the August festivities and other cultural celebrations taking place in the territory. However, assistance of this nature was also identified as being received from the Premier's Office, again highlighting the duplication in the programmes.

9.21 An assessment was conducted to determine the alignment of programmes within Ministries' portfolios. From this assessment it was found that most programmes appear to have been aligned according to the mandate of the Ministry and its departments. However, the programmes for Premier's Office and the Ministry of Finance appear to have surpassed these offices mandate and encompass that of other programmes being administered by other Ministries thereby resulting in duplication of resources, requests and approvals. ***Table 1 in Appendix V provides a summary of this assessment.***

10.0 RECOMMENDATIONS

The following recommendations are provided to address the issues and concerns articulated in this report.

10.1 It is recommended that guidelines and policies be developed to govern the assistance grants programmes within all Ministries. Additionally, these guidelines should be developed to address the uniqueness of each programme administered by the respective Ministry. Therefore, while there may be general guidelines that relate to all the programmes, some programmes may be distinctive and require additional guidelines to govern the special nature of their operations.

10.2 It is recommended that Ministers/Ministries establish guidelines for what supporting documents should be submitted to support all requests being submitted to their Ministry for assistance. This will aid in the decision making process and ensure that requests are adequately substantiated.

10.3 It is recommended that Ministries develop communication protocols for informing applicants on the status of their requests. Such protocols should consider providing sufficient information to applicants that promote transparency in the decision making process.

10.4 It is recommended that a comprehensive review of all assistance grants programme be undertaken with the aim of combining programmes that are similar in nature and ensuring that where there are overlaps or duplication in programmes that an active approach is carried out to consolidate such programmes as this would assist in adding greater efficiencies to the programmes.

10.5 It is recommended that realistic methods be employed in adequately determining budgets and assessing the needs of the assistance grants programmes. The current method is unrealistic and does not provide much information in terms of planning for the activities and operations of the programme.

10.6 It is recommended that a criterion be established by all Ministers/Ministries in determining the amount of assistance to be approved as we have found the current method too subjective as no clear indication as to how amounts awarded are determined.

10.7 It is also recommended that a criterion for prioritizing request be established to assist in helping determine urgent requests.

10.8 It is recommended that where meetings are held between the Minister and the applicant, documentation and decisions coming out of these meetings are documented to assist in providing transparency within the process. In addition, the implementation of requirements for supporting documentation should also reduce the need for such meetings.

10.9 In an effort to address the efficiency and effectiveness of the programmes, it is recommended that programme goals and objectives be developed to focus the programme on the intended purpose for which it was created. This will also assist in determining how requests are handled and channeled by various Ministers/Ministries.

10.10 It is recommended that although the funds are approved at the discretion of the Minister, Ministries be allowed to conduct adequate due diligence as part of the approval process before processing assistance grants. This will involve information sharing between all Ministries and even some Departments across Government.

11.0 CONCLUSION

11.1 The Assistance Grants Programmes administered by various Ministries is largely administered at the sole will of the respective Minister. In their current state these programmes lack adequate controls to safeguard them from abusive practices. Various questionable practices have materialized that has resulted in one individual receiving multiple assistances across various programmes and even within the same programme. This is largely due to lack of verification activities and the lack of adequate policies and guidelines to govern the administration of the programmes. The methods by which amounts are approved and decisions made lacks transparency which can cast a dark cloud over the programmes.

11.2 While most of the awards appear to have been granted under the particular Ministry to which the purpose relate, their evolution and in some cases their structure has left much to be desired. Within at least two of the programmes redundancies were identified as they reflect similar characteristics of other assistance grants programme in existence within other Ministries and departments. Duplication in resources removes the ability to optimally use those resources in administering programmes. It further hampers the programme's efficiencies and effectiveness and thereby at times results in wasted resources and efforts.

11.3 These programmes provide a necessary support for individuals who may not be able to obtain the services without their assistance. However, Ministries need to exercise special care to ensure that the process is fair of biases and provides all eligible persons with the opportunity to obtain the help they require. We are aware that due to the limited availability of funds it will not be possible for Government to assist all persons, ensuring that processes are fair, lucid and that guidelines are in place to guide decision makers in making decisions and add greater value to the programme and its administration will help to ensure that the programmes are guarded from abusive and fraudulent practices that can create negative perceptions in the public's eye.

12.0 APPENDICES

APPENDIX I

Table 1: Government of the Virgin Islands Assistance Grants Programmes

GOVERNMENT OF THE VIRGIN ISLANDS					
ASSISTANCE GRANTS SUBHEAD THAT EXISTS UNDER VARIOUS DEPARTMENTS					
2009-2012					
No.	**Department/Ministry**	**Head**	**Subhead**	**Name of Subhead**	**Purpose**
1	House of Assembly	700	62410	Assistance Grant	To cover the submission by elected members for the development of Minor/Territorial Projects, and such assistance grants to institutions and individuals (other tha immediate family members) as are governed under guidelines mabe by the House of Assembly. Representatives at $150,000.00 each and four (4) Territorial Representatives at $175,000.00 each.
2	Department of Human Resources	115	62410	Assistance Grant	Covers cost of financial assistance to government employees who commute between sister islands to work daily.
3	Premier's Office	200	62410	Assistance Grant	Covers cost of miscellaneous grants to local organizations, committees, and industries.
4	Ministry of Natural Resources & Labour	330	62410	Assistance Grant	Miscellaneous grants to voluntary organizations and committees associated with the subject under the Ministry.
5	Ministry of Education & Culture	390	62410	Assistance Grant	Grants to organizations, committees and scholarship grants.
6	Ministry of Education & Culture	390	62342	Youth Development Programme	Grants for sports, ecclesiastical and cultural initiatives, education youth, and prison.
7	Ministry of Education & Culture	391	62425	Graduate Scholarship Programme	Grants for students completeing their Masters Degree or PhD. Includes online education.
8	Education (Admin)	400	62410	Assistance Grant	Assistance to students undergoing medical evaluations.
9	Ministry of Health & Social Development	440	62410	Assistance Grant	BVI Nurses association, Council for Alcohol and Drug Abuse, BVI Red Cross, Keep the BVI Beautiful, Other qualifying Groups, BVI Diabetes Association, Home Care Basics, HIV/AIDS Fundation (BVI) Ltd, Family Support network.
10	Ministry of Health & Social Development	440	62422	Specialist Medical Services	Covers cost of facilitating medical referrals overseas and includes $50,000.00 for local referrals.
11	Ministry of Health & Social Development	440	62510	Special Needs Programme	Programme to assists widows, widowers and others in need need of financial assistance. Programme to be administered by a special committee to be appointed by the Minister.
12	Ministry of Health & Social Development	440	62520	Legal Aid Programme	
13	Ministry of Health & Social Development	440	62970	Medical Dental Council	Legal assistance for persons charged with crimes, unable to fund their own defense.
14	Social Development Department	500	62410	Assistance Grant	Includes public assistance programme and burial of indigents.

2013					
No.	**Department/Ministry**	**Head**	**Subhead**	**Name of Subhead**	**Purpose**
1	House of Assembly	1101	572299	Other Individual and Family Assistance Grants	
2	Department of Disaster Management	2112	572199	Other Organization Assistance Grants	
3	Premier's Office	2220	572110	Sporting Organizations	
	Premier's Office	2220	572130	Civic/Social Organization	
	Premier's Office	2220	572199	Other Organization Assistance Grants	
	Premier's Office	2220	572299	Other Individual Assistance Grants	
4	Ministry of Natural Resources & Labour	2436	561110	Farmer's/Fishermen's Assistance	Provision for assistance to farmers and fishermen through small grants.
5	Agriculture	2437	561110	Farmer's/Fishermen's Assistance	
6	Ministry of Education & Culture	2543	572110	Sporting Organizations	
	Ministry of Education & Culture	2543	572120	Religious Organizations	
	Ministry of Education & Culture	2543	572130	Civic/Social Organization	
	Ministry of Education & Culture	2543	572140	Education Organizations	
	Ministry of Education & Culture	2543	572199	Other Organization Assistance Grants	
	Ministry of Education & Culture	2543	572210	Scholarships - Domestic	
	Ministry of Education & Culture	2543	572220	Scholarships - Foreign	
	Ministry of Education & Culture	2543	572250	Other individual & Family Assistance Grants	
	Ministry of Education & Culture	2543	572150	Grants to Sir Rupert Briercliffe	
	Ministry of Education & Culture	2543	572250	Other individual & Family Assistance Grants	
	Ministry of Education & Culture - Youth Employment Register	2543	572299	Other individual & Family Assistance Grants	
	Ministry of Education & Culture - Emerging Fellow Award	2543	572299	Other individual & Family Assistance Grants	
	Ministry of Education & Culture - Special Needs Programme	2543	572299	Other individual & Family Assistance Grants	

2013					
No.	**Department/Ministry**	**Head**	**Subhead**	**Name of Subhead**	**Purpose**
7	Department of Youth Affairs and Sports - Youth Development Activities	2544	572110	Sporting Organizations	
	Department of Youth Affairs and Sports - Youth Development Activities	2544	572130	Civic/Social Organization	
	Department of Youth Affairs and Sports - Sport Services	2544	572110	Sporting Organization	
	Department of Youth Affairs and Sports - Sport Services	2544	572140	Education Organization	
	Department of Youth Affairs and Sports - Sport Services	2544	572199	Other organization assistance grant	
8	Department of Culture-Cultural Activities	2547	572199	Other organization assistance grant	
9	Prison	2551	561170	Prisoner's Assistance	
10	Ministry of Health & Social Development	2652	561140	Special needs assistance	
	Ministry of Health & Social Development	2652	561150	Legal Aid Assistance	
	Ministry of Health & Social Development	2652	561199	Other Social Assisatnce	
	Ministry of Health & Social Development	2652	572130	Civic/Social Organization	
	Ministry of Health & Social Development	2652	572230	Medical Assistance - Domestic	
	Ministry of Health & Social Development	2652	572240	Medical Assistance - Foreign	
11	Social Development	2655	572299	Other individual & Family Assistance Grants	
	Social Development	2655	561120	Temporary housing assistance	
	Social Development	2655	561130	Foster Care Assistance	
	Social Development	2655	561140	Special needs assistance	
	Social Development	2655	561150	Legal Aid Assistance	
	Social Development	2655	561160	Domestic Care Assisatnce	
	Social Development	2655	561199	Other Social Assisatnce	
	Social Development	2655	572230	Medical assistance - domestic	
	Social Development	2655	572240	Medical assistance - foreign	
	Social Development	2655	572299	Other individual and family assistance	
	Social Development	2655	572120	Religious Organizations	
	Social Development	2655	572130	Civic/Social Organization	

2013					
No.	**Department/Ministry**	**Head**	**Subhead**	**Name of Subhead**	**Purpose**
12	Ministry of Finance	4200	561170	Prisoner's Welfare Assistance	
	Ministry of Finance	4200	561199	Other Social Assisatnce	
	Ministry of Finance	4200	572110	Sporting Organizations	
	Ministry of Finance	4200	572120	Religious Organizations	
	Ministry of Finance	4200	572130	Civic/Social Organization	
	Ministry of Finance	4200	572140	Education Organizations	
	Ministry of Finance	4200	572199	Other Organization Assistance	
	Ministry of Finance	4200	572210	Scholarship - Domestic	
	Ministry of Finance	4200	572220	Scholarship - Foreign	
	Ministry of Finance	4200	572230	Medical Assistance - Domestic	
	Ministry of Finance	4200	572240	Medical Assistance - Foreign	
	Ministry of Finance	4200	572250	Other individual/Family Assistance	

APPENDIX II

Figure 1: Government of the Virgin Islands Budget Allotment compared to Actual Expenditure

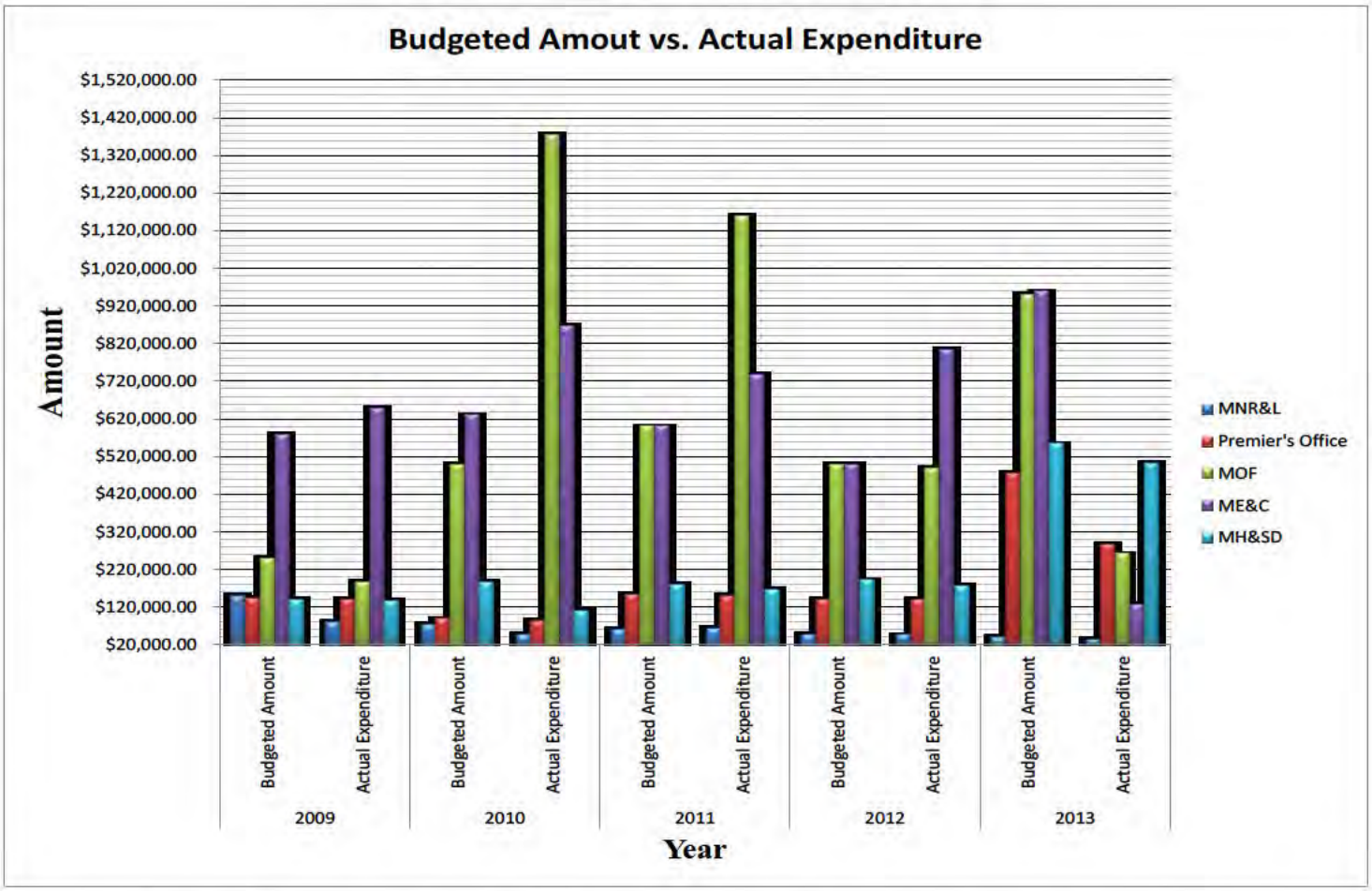


Table 1: Government of the Virgin Islands Budgeted Amount verses Actual Expenditure

Year	2009		2010		2011		2012		2013	
Ministry	Budgeted Amount	Actual Expenditure	Budgeted Amount	Actual Expenditure	Budgeted Amount	Actual Expenditure	Budgeted Amount	Actual Expenditure	Budgeted Amount	Actual Expenditure
MNR&L	$ 150,000.00	$ 81,085.00	$ 75,000.00	$ 47,618.78	$ 61,700.00	$ 64,915.00	$ 48,600.00	$ 46,126.44	$ 40,000.00	$ 33,250.00
Premier's Office	$ 144,000.00	$ 139,466.00	$ 89,300.00	$ 84,825.00	$ 154,800.00	$ 150,695.97	$141,800.00	$ 139,466.00	$475,000.00	$287,804.00
MOF	$ 250,000.00	$ 186,747.28	$500,000.00	$1,374,747.52	$ 600,000.00	$1,160,010.97	$500,000.00	$ 488,099.29	$950,000.00	$261,805.60
ME&C	$ 580,000.00	$ 648,673.26	$630,000.00	$ 866,936.79	$ 600,000.00	$ 738,584.00	$500,000.00	$ 804,841.60	$959,500.00	$127,856.99
MH&SD	$ 141,400.00	$ 137,000.00	$188,100.00	$ 110,732.70	$ 181,600.00	$ 168,400.00	$192,100.00	$ 178,400.00	$553,600.00	$501,856.54

Note: Please note that the amounts stated and depicted in Figure 1 and Table 1 for the Ministry of Finance (MOF) budgeted amount and actual expenditure represents amounts for assistance grants and special projects to be undertaken by the Minister of Finance.

APPENDIX III

Table 1: Summary of Students receiving Scholarships and Assistance Grants from the Ministry of Education

Year	Sample Size	Number of Students Identified as having received scholarships and assistance grants	Annual Scholarship Amount	Assistance Received		Number of times assisatnce was received
2009	20	4	$ 12,000.00	$ 6,000.00	$ 6,000.00	1
			$ 17,000.00	$ 5,000.00	$ 5,000.00	1
			$ 18,000.00	$ 9,500.00	$ 9,500.00	1
			$ 18,000.00	$ 3,000.00	$ 3,000.00	1
2010	20	2	$ 20,000.00	$ 7,000.00	$15,000.00	3
				$ 4,000.00		
				$ 4,000.00		
			$ 18,000.00	$ 4,000.00	$ 4,000.00	1
2011	20	3	$ 12,000.00	$12,000.00	$19,760.00	2
				$ 7,760.00		
			$ 27,000.00	$ 5,000.00	$ 5,000.00	1
			$ 27,000.00	$ 3,000.00	$ 3,000.00	1
2012	20	4	$ 18,000.00	$ 6,000.00	$ 6,000.00	1
			$ 18,000.00	$ 9,500.00	$ 9,500.00	1
			$ 22,514.78	$ 6,000.00	$ 6,000.00	1
			$ 12,000.00	$ 4,000.00	$ 4,000.00	1
2013	20	4	$ 18,000.00	$ 7,000.00	$ 7,780.11	2
				$ 780.11		
			$ 18,000.00	$ 3,000.00	$12,000.00	2
				$ 9,000.00		
			$ 18,000.00	$ 5,000.00	$14,000.00	2
				$ 9,000.00		
			$ 18,000.00	$ 3,500.00	$ 7,000.00	2
				$ 3,500.00		
	100	**17**				

Table 2: Summary of funds for students who received funds from both Training Division's Student Leave and MEC Assistance Grants Programme

Sample Size: 20 ***Occurrences: 2***

Student #1: Training Division's Study Leave Programme

G/L	Create	Funds Received
8/10/2009	8/13/2009	$ 13,711.00
12/7/2009	12/9/2009	$ 13,626.00
12/14/2009	12/16/2009	$ 640.00
8/12/2010	8/23/2010	$ 12,634.37
8/12/2010	8/23/2010	$ 65.00
12/8/2010	1/6/2011	$ 11,737.13
12/8/2010	1/6/2011	$ 65.00
12/23/2010	1/19/2011	$ 1,265.41
12/23/2010	1/19/2011	$ 45.00
7/21/2011	7/27/2011	$ 20,739.57
12/9/2011	12/23/2011	$ 25,256.40
12/9/2011	12/23/2011	$ 70.00

MEC - Assistance Grants Programme

8/11/2009	8/12/2009	$ 5,000.00
8/25/2011	8/30/2011	$ 3,500.00

Student #2: Training Division's Study Leave Programme

G/L	Create	Funds Received
8/10/2009	8/13/2009	$ 17,175.00
12/14/2009	12/16/2009	$ 18,175.00
7/14/2010	7/29/2010	$ 14,925.00
7/27/2010	8/10/2010	$ 500.00
12/1/2010	12/3/2010	$ 18,550.00
8/26/2011	8/31/2011	$ 4,925.00
11/18/2011	12/12/2011	$ 8,050.00
8/2/2012	8/9/2012	$ 17,420.32
12/6/2012	12/11/2012	$ 20,990.65

MEC - Assistance Grants Programme

5/1/2012	5/2/2012	$ 4,500.00

Table 3: Summary of funds for students who received funds from both Training Division's Student Leave and MEC Graduate Scholarship Programme

Sample Size: 20

Student #1: Training Expenses

G/L	Create	Funds Received
7/17/2009	7/21/2009	$ 20,260.00
12/14/2009	12/16/2009	$ 22,260.00
7/14/2010	7/29/2010	$ 20,509.00
12/1/2010	12/3/2010	$ 23,245.00
8/29/2011	8/31/2011	$ 21,312.00
12/11/2012	12/17/2012	$ 17,630.00

MEC - Graduate Scholarship Programme

G/L	Create	Funds Received
9/6/2012	9/6/2012	$ 6,000.00

Total funds received from BVI Government $ 131,216.00

Student #2: Training Expenses

G/L	Create	Funds Received
9/18/2009	9/18/2009	$ 13,183.16
12/14/2009	12/16/2009	$ 10,977.00
7/27/2010	8/10/2010	$ 12,375.00
12/1/2010	12/3/2010	$ 14,855.00

Graduate Scholarship Programme

G/L	Create	Funds Received
3/20/2009	4/7/2009	$ 25,000.00

Total funds received from BVI Government $ 76,390.16

Table 4: Summary – Funds received by students from both the Ministry of Education's Assistance Grants Programme and Graduate Scholarship Programme

Sample Size: 20 ***Occurrences identified: 8***

Student #1: MEC - Graduate Scholarship Programme

G/L	Create	Funds Received
2/3/2009	2/5/2009	$ 15,000.00

MEC - Assistance Grants Programme

G/L	Create	Funds Received
1/19/2010	1/26/2010	$ 25,000.00
10/21/2010	10/27/2010	$ 12,500.00

Total funds received from BVI Government $52,500.00

Student #2: MEC - Graduate Scholarship Programme

G/L	Create	Funds Received
5/27/2009	6/8/2009	$ 15,000.00

MEC - Assistance Grants Programme

G/L	Create	Funds Received
12/15/2009	12/16/2009	$ 5,000.00
6/11/2010	6/15/2010	$ 10,000.00
12/23/2010	12/23/2010	$ 15,000.00
7/26/2011	7/27/2011	$ 9,000.00
3/13/2012	3/29/2012	$ 6,000.00

Total funds received from BVI Government $ 112,500.00

Student #3: MEC - Graduate Scholarship Programme

G/L	Create	Funds Received
6/30/2009	7/7/2009	$ 15,000.00
1/19/2010	1/26/2010	$ 7,000.00
6/1/2010	6/3/2010	$ 15,000.00
7/21/2011	7/21/2011	$ 15,000.00

MEC - Assistance Grants Prgoramme

G/L	Create	Funds Received
8/12/2010	8/12/2010	$ 8,800.00
10/26/2010	10/27/2010	$ 6,200.00

Total funds received from BVI Government $67,000.00

Student #4: MEC - **Graduate Scholarship Programme**

G/L	Create	Funds Received
	1/14/2010	$15,000.00

MEC - Assistance Grants Programme

G/L	Create	Funds Received
6/30/2009	7/7/2009	$ 3,500.00
9/21/2010	9/23/2010	$15,000.00
6/11/2012	6/12/2012	$ 6,000.00

Total funds received from BVI Government $39,500.00

Student #5: MEC - Graduate Scholarship Programme

G/L	Create	Funds Received
6/1/2010	6/3/2010	$15,000.00

MEC - Assistance Grants Programme

G/L	Create	Funds Received
4/15/2010	4/20/2010	$10,000.00
5/31/2010	5/31/2010	$ 6,100.00
8/15/2011	8/15/2011	$16,000.00

Total funds received from BVI Government $47,100.00

Student #6: MEC - Graduate Scholarship Programme

G/L	Create	Funds Received
7/22/2010	7/29/2010	$ 20,000.00

MEC - Assistance Grants Programme

G/L	Create	Funds Received
12/23/2010	12/23/2010	$ 7,700.00
4/13/2011	4/21/2011	$ 2,500.00
5/9/2011	5/23/2011	$ 2,500.00
8/2/2012	8/2/2012	$ 7,000.00

Total funds received from BVI Government $ 39,700.00

Student #7: MEC - Graduate Scholarship Programme

G/L	Create	Funds Received
7/22/2010	7/29/2010	$13,000.00
4/13/2011	4/21/2011	$10,000.00

MEC - Assistance Grants Programme

G/L	Create	Funds Received
2/9/2009	2/10/2009	$ 12,577.00
6/16/2009	6/17/2009	$17,000.00
1/19/2010	1/26/2010	$ 7,000.00
10/24/2011	10/27/2011	$ 6,000.00

Total funds received from BVI Government $ 65,577.00

Student #8: MEC - Graduate Scholarship Programme

G/L	Create	Funds Received
7/27/2012	7/31/2012	$6,000.00

MEC - Assistance Grants Programme

G/L	Create	Funds Received
7/21/2011	7/21/2011	15,000.00

Total funds received from BVI Government $ 21,000.00

APPENDIX IV

Table 1: Requests for Assistance outlining the purpose of the assistance, the supporting documentation submitted and the requested and approved amount

Purpose of Assistance	Amount requested	Supporting documentation submitted to substantiate request	Amount Approved
Assistance in surveying parcel [redacted]	$ 4,085.00	Letter and invoice from a surveyor	$ 4,085.00
Financial assistance to purchase equipment for current fishing	$ 29,330.65	Letter and breakdown of cost from applicant	$ 5,000.00
Assistance with re-purchase of engine for fishing boat	$ 15,525.00	letter and quotation from supplier	$ 10,000.00
Financial assistance for fishing vessel equipment	$ 29,330.65	Letter and breakdown of cost from applicant	$ 5,000.00
Financial assistance for fishing vessel equipment, engine and navigation equipment	$ 20,000.00	Letter from applicant	$ 8,000.00
Assistance in land surveying	$ 7,050.00	letter and quotation from supplier	$ 4,000.00
Assistance in contrusting pig, poultry and goat pen	$ 30,676.00	Letter and breakdown of cost from applicant	$ 3,500.00
Assistance in upgrading poultry pen and slaughter house	None stated	Letter from applicant	$ 3,000.00
financial assistance to puchase fishing supplies	$ 25,000.00	Letter from applicant	$ 3,000.00
assisatnce in purchasing an engine for fishing purposes for [redacted]	$ 3,000.00	bill of sale between seller and buyers	$ 3,000.00
financial assistance	no amount stated	letter from applicant requesting assistance with meals as a legal matter continues in the Court	
financial assistance	$ 6,283.50	letter from applicant to assist with the cost of burrying her grandson	$ 5,000.00
financial assistance for annual fisherman tournmane	no amount stated	letter from the Conservation and Fisheries Department and proposal for the event	$ 2,000.00
mother of the year award	$ 5,000.00	annual mother of the year award given bny the Premier	$ 5,000.00
financial assistance	$ 38,500.00	letter addressed to the BVI Tourist Board	
financial donation	no amount stated	financial assisatnce for Christmas Tree Programme from [redacted] Hospital Services	$ 3,000.00
financial assistance	no amount stated	letter indicating financial hardship and repairs to be made to her home	
Medical Assistance	$ 10,000.00	letter from applicant seeking assistance to purchase a new prosthetic leg	

Purpose of Assistance	Amount requested	Supporting documentation submitted to substantiate request	Amount Approved
financial assistance/sporting assistance	$ 8,770.00	letter and proposal from committee	$ 2,000.00
financial assistance	seeking to raise $5000 but any amount will be appreciated	letter from the BVI coordinator for the [redacted]	$ 1,000.00
funeral grant		file not reviewed	
financial assistance for festival		file not reviewed	
financial assistance for [redacted]		file not reviewed	$ 18,000.00
additional assistance		file not reviewed	$ 50,000.00
contribution [redacted]		file not reviewed	$ 5,000.00
sponsorship for [redacted]		file not reviewed	$ 10,000.00
partial contribution to music festival		file not reviewed	$ 100,000.00
3rd partial contribution to [redacted]		file not reviewed	$ 75,000.00
final contribution - [redacted]		file not reviewed	$ 75,000.00
financial assistance for [redacted]		file not reviewed	$ 35,000.00
Educational certification programme	$ 12,000.00	letter from applicant	$ 10,000.00
		no letter found	$ 15,000.00
		no letter found	$ 9,500.00
		no letter found	$ 24,000.00
educational	$ 5,000.00	letter from applicant	$ 5,000.00
educational	$ 12,000.00	letter from applicant	$ 9,500.00
educational	$ 10,000.00	letter from applicant	$ 10,000.00
educational	$ 3,505.55	letter from applicant	$ 3,500.00
sporting event	$ 10,000.00	letter from applicant	$ 9,000.00
educational	$ 43,000.00	letter from applicant with acceptance letter and estimated expenses	$ 9,500.00

APPENDIX V

Table 1: Comparison of Ministries' Mission with Budget Notes for the Assistance Grants Programmes

Ministry	Mission based on Budget Estimates	2009 Notes to Budget Estimates/Purpose of Assistance Grants Subhead
Premier's Office	To serve as a focal point for coordinating Government's activities through the Ministries and Departments, implementing cross-sectoral policies and programmes and promoting the sustainable development of the Territory to ensure a well-informed, prosperous, cohesive and stable Virgin Islands. The principal function of the Premier's Office is to coordinate cross-sectoral policies and programmes of the Government for the Sustainable Development of the Territory.	Covers cost of miscellaneous grants to local organizations, committees and industries. Includes $25,000 for grants to practitioners in the fields of publishing, media production and/or communication.
Ministry of Finance and Economic Development	To promote leadership in the development and implementation of an overall economic and fiscal strategy aimed at promoting financial and economic stability, growth and development of the British Virgin Islands. The principal function of the Ministry of Finance is the administration and management of the Territory's financial resources and all activities thereto.	No assistance grants subhead, however subhead 880-60347 was used to issue payments for assistances of various purposes. The notes in the Budget Estimates states that the subhead is to be used to facilitate the implementation of projects approved only by the Premier/Minister of Finance.
Ministry of Natural Resources and Labour	To effectively manage and administer the Natural Resources of the Territory in a manner that ensures long term sustainability and ensure that the supply of labour is commensurate with the level of development in all sectors of the economy under working conditions which preserve their health, safety and welfare. The principal function of the Ministry of Natural Resources and Labour is to formulate plans and policies in the field of Natural Resources and Labour to execute them.	Farmers'/Fishermen's Assistance

Ministry	Mission based on Budget Estimates	2009 Notes to Budget Estimates/Purpose of Assistance Grants Subhead
Ministry of Health and Social Development	To provide leadership that promotes health, social well-being and a safe environment as positive resources for living and sustainable development. The principal function of the Ministry of Health and Social Development is to formulate policies relevant to the fields of health, social welfare, and rehabilitation services and to coordinate the functions of its departments.	To provide assistance to the various organizations of various amounts: BVI Nurses Association, Council for Alcohol and Drug Abuse (CADA), BVI Red Cross, Keep the BVI Beautiful, Other Qualifying Groups, BVI Diabetes Association, Home Care Basics, HIV/AIDS Foundation (BVI) Ltd, Family Support Network.
Ministry of Education and Culture	To ensure provision and delivery of high quality services to the people of the BVI via recurrent and new capital projects, programmes, policies, financing and necessary legislation in the disparate areas of Education, Culture, Library Services, Museums, Archives and Sports.	Sports, education, youth, prison, ecclesiastical, Cadet Corps and cultural initiatives to be approved by the Minister of Education and Culture. Provision includes $250,000 for the VI Neighbourhood Partnership Program. Miscellaneous grants to organizations and committees and scholarship grants. Covers assistance to students in obtaining their Masters Degrees and PhD's.

House of Assembly of the Virgin Islands

OFFICE OF THE CLERK

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

Tel: (284) 468-6900
(284) 494-3701 [redacted]
Fax: (284) 468-6993
Email: [redacted]

Our Ref:

1st April, 2021

Mr. Andrew King
Senior Solicitor
The BVI Commission of Inquiry

Dear Mr King:

Re: Request to the Clerk of the House of Assembly – Request of Information/Documents No. 1 (IRU Ref. R0043)

I write in relation to your email of 29th March, 2021.

Your email requested that I provide details of "when and how the i) COVID-19 Assistance Application Form and ii) Guidelines for Assistance Grants were adopted and made public".

On 11th June, 2020, at the Ninth Siting of the Second Session of the Fourth House of Assembly the Premier had an intersession where he asked that an Informal Meeting be held with all Members to discuss the Stimulus package intended to be shared among Members in the amount of $300,000.00 each for their constituents. At this meeting the Guidelines for Assistance Grants and Assistance Application Form (the 'Guidelines and Form') were also discussed.

At the continuation of the Ninth Sitting, on 16th June, 2020, in which the continuation of the Informal meeting of 11th June, 2020, continued. This informal meeting was held to discuss further adjustments to the Guidelines and Form. At this meeting, the final version of the Guidelines and Form were approved and adopted.

There is no Hansard record of these informal meetings as they were not formal sittings of the House of Assembly (the 'HoA').

As to the dissemination of the Guidelines and Form to the public, I am not well placed to explain the communication strategy in relation to the grant relief programme because my role does not include publicizing initiatives such as this. I was aware that the Premier had announced the programme in a statement to the press, however, I do not recall the exact date of that announcement.

House of Assembly of the Virgin Islands

OFFICE OF THE CLERK

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

Tel: (284) 468-6900
(284) 494-3701 [redacted]
Fax: (284) 468-6993
Email [redacted]

Certainly there were many applicants who applied for the grant. As part of the application process, I would review and (where appropriate) approve the Application Forms, after which they were sent to the Treasury Department, who also checked over the documents. These were unprecedented times in which individuals who suffered financial hardship, or was evicted from their apartments appeared at the office of the House of Assembly for assistance.

There were high volumes of applications and the demand of managing and reviewing them in addition to my other duties were challenging. The assignment caused me long hours into the evenings and weekends to accomplish this task.

I hope my response is clear and if there are any further questions, please do not hesitate to contact me.

Yours sincerely,

[redacted]

Phyllis Evans (Mrs)
Clerk, House of Assembly

House of Assembly of the Virgin Islands
COVID-19 Assistance Application Form

ID Type:_____ **ID Number:** _____ **Exp. Date:** _____

Last Name: _____ **First Name:** _____ **Middle Initial:** ____

Address: _____ **Contact No:** _____

District No:_____ **Community/Village:** _____ **Email Address:** _____

Are you a Homeowner or Renter? ☐ **Homeowner** ☐ **Renter** **If renter, list apt. #:**_____

Owner of Residence:_____

Status: ☐ **BVIslander/Belonger** ☐ **Work Permit Holder** ☐ **Resident** ☐ **Other** _____

Age: ____ **Marital Status:** _____ **Social Security No.:** _____ **Sex:** ☐ **M** ☐ **F**

Current Work Status: ☐ **Work Suspension** ☐ **Layoff** ☐ **Termination** ☐ **Other:** _____

Have you been unemployed or underemployed as a result of the impact of COVID-19 on your place of work/ business? ☐ **Yes** ☐ **No**

If YES, since what date? _____

Place of Employment: _____ **Occupation:** _____

Salary before 30th March 2020: $_____ ☐ **Weekly** ☐ **Bi-weekly** ☐ **Monthly** ☐ **Fortnightly**

Present Salary: $_____ ☐ **Weekly** ☐ **Bi-weekly** ☐ **Monthly** ☐ **Fortnightly**

Member from whom assistance is being sought: _____

Reason for request: ☐ **Hurricane Recovery** ☐ **Hurricane Preparedness** ☐ **COVID-19 Assistance**

Amount being requested: $_____

Please attach supporting documentary evidence.
Employment Letter: Termination or temporary layoff letter.
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.)

Have you or anyone in your household applied for or received assistance from a representative, or from Social Development, or any other private or public institution within the last 12 months? ☐ **Yes** ☐ **No**

If yes, please complete the following:

Date(s)	Requested From	Amount Requested or Received	Reason for Assistance

GOV_00004762

CERTIFICATE OF TRUTH

I hereby certify that the information provided herein is true and correct.

_____ _____

Applicant's Name (Please print) **Applicant's Signature**

_____

Date of Application

INTERNAL USE ONLY

_____ _____

Recommended by (Representative) **Approved by (Clerk, HOA)**

_____ _____

Date Recommended **Date Approved**

$_____ $_____

Amount Recommended **Amount Approved**

GOV_00004763

Guidelines for Assistance Grants

(COVID -19 Response, Pledge of $300,000 to each Elected Member)

NB: All applicants must fill or be assisted in filling the application form specifically created to aid in the administration of this programme

1. Financial assistance under this programme is limited to a maximum of $5,000.00 to any individual, associate or entity. Assistance under this programme may include, but not limited to, implementing projects and/or programmes to assist stakeholders with hurricane preparedness and other hardships being experienced as a direct result of the COVID-19 pandemic.

2. Assistance is limited to individuals experiencing genuine and documented hardship brought on as a direct result of COVID -19, and/or hurricane recovery/preparation for which support was not received under any of the other Government stimulus initiatives.

3. All programmes, initiatives, and projects under this programme will be developed and executed in keeping with ALL requirements of Public Financial Management Act 2004 as amended and the Regulations under the said Act.

4. The Financial Secretary will review and approve, as necessary, all exceptions under this programme, that is, applications for amounts in excess of the five thousand dollars ($5,000). The Clerk may refer any matter to the Financial Secretary who will in turn advise the Minister of Finance on a decision. The minister of Finance's decision on any such matter will be final.

5. The Clerk should peruse all applications to assess whether the applicants' needs can be met at another suitable Government Agency. Where the Clerk finds that the applicant's needs can be better met at another Government's Agency, the applicant should be directed to the appropriate Agency to access the COVID-19 stimulus funds that was set up to address their particular circumstance.

6. Assistance to "**self**" by all representatives is strictly prohibited. "**Self**" for purposes of this exercise is defined as a grant of whatever nature to any member of the representative's immediate family. There is no prohibition on relatives of Members, who have genuine needs, benefiting under the programme, however, it should not be seen that Members are granting benefits directly to their parents and siblings. One Representative can grant a benefit to the parent and sibling of another Representative.

7. Where a request for assistance involves a vendor or a third party, approved funds where practicable, should be paid directly to the third party, on behalf of the applicant, upon receipt of documented proof.

8. The applicant must submit with the application, a primary Government issued identification such as passport or driver's license, bearing the applicant's name and photograph. A Secondary ID such as the local Government issued National Health Insurance card will only be accepted where the applicant is not the holder of any of the primary IDs mentioned above.

9. Requests for assistance must be substantiated with supporting documentation including, but not limited to, termination or temporary layoff letter, Doctor's certificate of illness, proof of inability to cover expenses, i.e., past due bills or notice, eviction notice, etc.

10. The Clerk, with the assistance of the Ministry of Finance, will implement a tracking mechanism to prohibit approving multiple applications from a single entity.

11. Each request will be subject to final approval by the Clerk of the House of Assembly. The Clerk may refer any matter to the Financial Secretary who will in turn advise the Minister of Finance on a decision. The minister of Finance's decision on any such matter will be final.

12. Assistance is prohibited to any organisation not registered and operating in the Territory, or for projects in the Territory where a BVIslander/Belonger is not a beneficiary.

LEG/00/03

GOVERNMENT OF THE VIRGIN ISLANDS
Ministry of Finance

MEMORANDUM

Ref No.: FIN/E1/301

To: Clerk, House of Assembly

From: Financial Secretary

Date: 7th July 2020

DATE RECEIVED
JUL 08 2020
HOUSE OF ASSEMBLY

Subject: Request for Over-commitment – Assistance Grant (COVID-19)

Reference is made to your request form dated 2nd July 2020.

The Minister of Finance has exceptionally granted approval to over-commit Head 10114051-Subhead 528662 in the amount of $3,900,000.00 to cover the cost associated with the Coronavirus (Covid-19) Assistance Grant Programme.

Corrective measures to regularize the Subhead will be taken in the 2020 Schedule of Additional Provisions (SAP) to be taken to the House of Assembly. By copy of this memorandum the Accountant General is informed of the approval and asked to honor all payments.

[redacted]
for Financial Secretary

Attachment

pc: Accountant General
Auditor General

GOVERNMENT OF THE VIRGIN ISLANDS
MINISTRY OF FINANCE
REQUEST FOR SUPPLEMENTARY FUNDING

Date: 02/07/2020

Head	Description	Subhead	Description
10114051	Office of the House of Assembly	528662	Coronavirus Preventative Expenses

Request for Additional Funds [x] Request for Overcommitment [ ] Amount: $3,900,000.00

Reason for Request

(Please justify your request. Cabinet Decisions, quotations, invoices, and supporting information must be attached.)

As directed by the Minister of Finance, Coronavirus (Covid-19) Assistance Grant to be distributed to all thirteen meembers in the amount of $300,000 each

RECEIVED
JUL 02 2020
MINISTRY OF FINANCE
ROAD TOWN, TORTOLA

Savings Are Available

[x] No [ ] Yes Head _____ Subhead _____ Amount _____

I certify that the above is true and correct to the best of my knowledge.

[redacted]

Head of Department, House of Assembly

Head of Department/Ministry of Finance

I approve/do not approve the above request for further processing.

[redacted]

Permanent Secretary/Financial Secretary

Minister

Ministry of Finance Use Only

Overcommitment

Budget Verified	Recommended/Not Recommended	Recommended/Not Recommended
[ ]	[ ] [ ]	[x] [ ]
[redacted]	[redacted]	[redacted]
Budget Officer	Financial Secretary	Minister of Finance

CFB [ ] AF [ ]

MINISTRY OF FINANCE
JUN 30 2020
BRITISH VIRGIN ISLANDS

COVID-19 STIMULUS

DRAFT AUDIT REPORT

Oct 2020

This report was developed for **The Government of the Virgin Islands PURPOSES ONLY.** Unauthorized use or distribution is strictly prohibited. No part of this report may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any information storage and retrieval system, without the expressed permission of the Internal Audit Department or the Ministry of Finance.

Internal Audit Department
3rd Floor, Ashley Ritter Bldg.
Road Town, Tortola,
British Virgin Islands

Telephone: (284) 468-4771

TABLE OF CONTENTS

INTRODUCTION 3

STIMULUS OVERVIEW 5

SME GRANTS 7

TRAFFIC TRANSFORMATION AND TRANSPORTATION 13

HOUSE OF ASSEMBLY – COVID-19 ASSISTANCE GRANTS INITIATIVE 15

SUPPORT TO DAYCARES, PRIVATE SCHOOLS AND RELIGIOUS ORGANIZATIONS 19

SUPPORT TO AGRICULTURE AND FISHERIES 20

CONCLUSION 21

INTRODUCTION

This report provides an update to the Minister of Finance, and by extension the Cabinet on the execution and process of the Government's Economic Response and Stimulus in combating the social and economic consequences to the ongoing COVID-19 Pandemic. The report evaluates select programmes against policy documents and guidelines as approved, where available, to provide limited assurance that the programmes were executed as designed and in a manner that promotes accountability, transparency and equity in the distribution of funds. The report does not intend to assert or imply any opinion on the economic impact of the grant funds expended/distributed.

On May 28, 2020, the Premier of the Virgin Islands, Honourable Andrew Fahie delivered a message to the Territory entitled "Phase II of the Economic Response Plan: Social Protection and Economic Stimulation in COVID-19". In this message, the Premier shared the details of the Government's $62.9M Economic Response Plan as follows:

1. $40M – Grant from BVI Social Security Board (BVISSB)
    a. $10M – COVID-19 Unemployment Relief (S) - Administered by BVISSB
    b. $6.5M – SME Grants (E)
    c. $1M – Hotel Accommodation and Quarantine Stimulus(E)
    d. $2M – Support to Daycares, Private Schools and Religious Organizations (S)
    e. $2M – Support to Agriculture and Fisheries (E)
    f. $1M – Traffic Transformation and Transportation (Park and Ride/Quarantine Bus Service) (E)
    g. $7.5M – National Health Insurance (S)
    h. $9M – Housing Repair Assistance (S)
    i. $1M – Social Assistance (S)
2. $17M – BVI Social Security Affordable Home Construction Project (E)
3. $2M – Grant to assist with Infrastructure (E)
4. $3.9M- Other assistance (S)

The Economic Response Plan was to be jointly funded by Central Government and the BVI Social Security Board, with the BVISSB component funding allocated to the following programmes:

#	Particulars	Approved Amount
1	Temporary Income Support due to special circumstances such as the COVID-19 Pandemic	$10 Million
2	Food Protection (Agriculture and Fisheries) Grant to boost these industries and assist with food security	$2 Million
3	Grants to local businesses affected by COVID-19	$6.5 Million
4	Stimulus grants to hotels and villas affected by COVID-19	$1 Million

6	Housing repairs, materials, labour and reconstruction assistance to water-tight homes damaged by the 2017 catastrophic hurricanes Irma and Maria.	$10 Million
7	Other social needs related to COVID-19 Assistance to churches, day care, private school	$2 Million
8	Transportation initiative for the City and from Terrance B. Lettsome International Airport to approved quarantine areas in Tortola, Transportation initiative applies to the other sister islands as well.	$1 Million
9	NHI	$7.5 Million
	TOTAL	**$40 Million**

The programmes announced cover a wide range of social and economic initiatives geared to bolstering social safety nets as well as provide some level of economic stimulation for the territory's fragile economy resulting from the continued impact and effects of the on-going COVID-19 Pandemic. The cadre of initiatives includes six (6) programmes that are considered social protection programmes (designated as S) and six (6) which can be considered economic stimulus (designated as E) in nature. Although all programmes are hoped to have some level of economic impact, this distinction was made in order to better assess the desired outcome of each programme based on its intended function.

To promote transparency and accountability in the distribution of these funds, the Premier charged the Internal Auditor (Director of Internal Audit) to provide monthly reports to the Minister of Finance for transmission to Cabinet. This directive from the Premier did not provide any scope limitations or expectations to inform the Internal Auditor's work and as such the Internal Auditor exercises full discretion in the assessment of the programmes. The assessment of the Government's COVID-19 response is limited to the following five (5) programmes administered by Central Government:

a. $6.5M – Small, Medium Enterprises Grants (E)
b. $1M – Support to Daycares, Private Schools and Religious Organizations (S)
c. $2M – Support to Agriculture and Fisheries (E)
d. $1M – Traffic Transformation and Transportation (Park and Ride/Quarantine Bus Service) (E)
e. $3.9M- Other assistance (S)

In fulfilling this mandate, the Internal Auditor formulated the following criteria by which to assess each programme:

1. Policy paper was developed and approved for each programme
2. Each programme has established measurable outcome(s) or targets for the monies invested especially those geared toward economic stimulus as the primary purpose.
3. Each programme has established an eligibility criterion that was publicly distributed.
4. Each programme has established clear evaluation criteria to review applications.

5. Each programme has established mechanisms to communicate final decisions to applicants. (Whether approved or denied and reasons for denial, if necessary).
6. Eligibility and evaluation criterions were applied in a consistent manner, where deviations occurred, and such reasons are appropriately documented.

STIMULUS OVERVIEW

As nations struggle to respond to the economic crisis caused by the COVID-19 Pandemic many have rightly considered public investment as a tool for economic sustainability and recovery. Historically, the focus of government fiscal policy in times of economic downturn has been on questions of ensuring that the provisions are timely (e.g., take effect while the economy is still in a slump), targeted (focused on activities that have relatively high economic multipliers), and temporary (expire when the slowdown is over). As a small island nation with limited resources, this places significant constraints on the approach to fiscal stimulus. As a result of this constraint, the approach taken must ensure that the value proposition is maximized and every dollar spent or awarded directly contributes to both the economic prosperity of the territory balanced against combating the social fallout of the pandemic. The review incorporates a cursory analysis of these three provisions (timely, targeted and temporary) of fiscal stimulus against the government's approach.

Timely

Of the $62.9M Stimulus Programme, $57M was funded through the BVI Social Security Board. Although the stimulus package was announced on May 28, 2020, the agreement for the majority for the funding ($40M) was not signed until July 4, 2020 approximately one month after the announcement. Additionally, even programmes that were funded through central government took more than 2 months before the first payment was made. Programmes geared toward direct support to the economic sectors (SME, farming and agriculture, etc) took in excess of three months for the first payments to be executed. These timeframes for distribution of grant funding would indicate that there was some issue of timeliness since it shows a significant lag in distribution of funds. The review could not establish definitive reasons for the delay(s), however, it is highly likely that the process was constrained due to inadequacies in resources to execute the volume of works required to properly administer each programme. In addition, we note the delay in securing some funding as a contributing factor.

Despite the delays, when considering the conditions under which the programmes were conceived and implemented and the ever evolving nature of the pandemic, the initiatives can be considered to be timely given the continued depressed state of the BVI economy.

Grant Area	Date of 1st Payment	Time Period
House of Assembly Initiative*	August 13, 2020	2 mths 16 days
SME Initiative**	September 11, 2020	3 mths 14 days
Farmers and Fishermen Initiative**	October 18, 2020	4 mths 20 days
Education/Religious/Civic Initiative**	October 10, 2020	4 mths 12 days
Transportation Initiative *	July 31, 2020	2 mths 03 days

* Government funded ** SSB Grant funded

Targeted

Although we have not been able to review any documents that informed the selection of the various initiatives under the Stimulus Package, we assessed that the package was targeted towards specific initiatives as outlined in the Premier's statement, as well as outlined in the Grant Agreement. What was lacking; however, was the absence of any specific strategy that quantified any multipliers effects to justify why these specific initiatives were chosen. This is further borne out by the fact that outcomes were not clearly articulated in the programme documents reviewed.

Temporary

Analysis of this provision proved somewhat more difficult to assess given the evolving nature of the pandemic. It is difficult to determine with any accuracy the potential duration. However, given the overall administration of the programmes, funding appears to be temporary in nature, as the programmes are bound by the limited funds allocated. Despite this, we found that the programmes have the potential to be extended if additional funds are provided above the initial allocation.

Limitations

The audit approach was one that envisaged evaluating the initiatives on a more consultative basis, with the hopes that value added advice and recommendations could positively impact the overall administration of the programme before all the funds were expended. The multiple decisions of Cabinet to have the initiatives audited on a monthly basis support this approach.

This approach would have allowed for corrective actions to be taken by the executing agencies which would foster better programme outcomes as well as provide some level of assurance that the initiatives were executed in a transparent, accountable and equitable manner. However, this approach could not be utilized due to severe limitations on the timely access to information from the executing agencies. Despite multiple requests for information of a formative nature, pertinent to the administration of the programmes, such information was not provided in a timely manner or not at all. Information such as programme objectives, performance measures and eligibility and evaluation criteria were in most cases either absent from the documents presented or changed significantly from what was envisaged. Consequently, our review and final conclusions are based on the limited information accessible to the audit team. It is highly probable that if all information requested was made available, it may have yielded different opinions and conclusions.

Programme Numbers at a Glance

Grant Area	Initial Budget	Supplemental Budget	Actual Expenditure*	Variance
House of Assembly Initiative	$3.9M		$3,888,294.42	$11,705.58
SME Initiative	$6.5M		$7,369,542.00	($869,542.00)
Farmers and Fishermen Initiative	$2M		$4,958,000.00	($2,958,000.00)
Education/Religious/Civic Initiative	$2M		$2,374,626.00	($374,626.00)
Transportation Initiative	$2M		$845,478.22	$1,154,521.78

*As of March 9, 2021

SME GRANTS

Background – Synopsis of programme

On 17th June 2020, Cabinet approved the Small Business Sector Grant Programme via Extract Memo No. 211/2020 in the amount of six million, five hundred thousand dollars ($6,500,000.00) funded through a grant from the BVI Social Security Board. These funds were allocated to assist businesses in meeting their operational expenditure, while stimulating economic activity by facilitating the circulation of money within the Territory.

A Committee was established consisting of representatives from the Premier's Office (Chair), the Ministry of Finance (Member), and the Department of Trade, Investment Promotion and Consumer Affairs (Member). This committee was charged with ensuring the effective administration and management of the application process for the approval and disbursement of the grants. The programme was officially launched on July 21, 2020 with an open application period of one month ending August 21, 2020. The application period was extended for an additional week from September 10, 2020 to September 16, 2020, to allow businesses that may have missed the initial deadline to participate in the programme.

Observations for the period –deviations, accomplishment, non-compliance, etc.

The SME Assistance Grants Programme began with an extensive application, eligibility and approval criteria designed to assess each businesses' operational position and compliance with various statutory requirements. However, due to time constraints and the unavailability of requisite data, the majority of these criteria were eliminated from the final execution of the programme to facilitate greater inclusion/participation of businesses that would have been negatively impacted by their non-compliance and inability to provide documentation to meet the established criteria. As a result, the only eligibility criterion utilized was a valid Trade License and the business employing fewer than 20 employees. The scoring system formulated to determine grant awards was also replaced and businesses were classified into five (5) groups based on the level of financial impact (profit or loss) reported during the assessment periods. These changes to the programme resulted in the following deficiencies:

a. Businesses were divided into five (5) groups using the level/range of financial impact on the business as reported by the applicant. The distinction between micro, small and medium enterprises was redefined, and all MSMEs were defined as any business with fewer than twenty (20) employees. This definition created inequity in the process, as the size of the business, the capitalization needs nor cash flow requirements were considered in deciding award amounts, as the definition made all businesses equal within the programme.

b. Furthermore, grants were awarded on a loss to profit basis over the period (March – May 2020) without reliable information collected to make this determination. This created further inequity in that awards were not made on any objective basis and depended solely on pre-established profit to loss ranges. In making awards, consideration was not given to significant factors such as business classification (MSM), number of employees and overhead, all of which should have been pertinent factors in determining awards. This resulted in micro-businesses receiving the same award as a medium business, which created an inequitable distribution of funds. For example, a micro business with one employee who suffered a loss of $1000 could be awarded a grant of $6,663 and a medium business with six employees with a loss of $10,000 could receive the same award.

Based on this evaluation and review of some of the programme application data, some businesses may have possibly been awarded significantly more money than the revenues that they would have generated during the period of evaluation.

c. It is evident that the programme was starved of reliable economic data on which to successfully plan and deliver a programme of this magnitude and significance in such a truncated timeline, as most of the planned actions had to be eliminated or significantly curtailed in order to accommodate the applicants. The lack of sufficient and reliable data caused the programme to become unfocused and without any clear indication as to how the awarded funds would impact the business or stimulate the economy in any measurable and meaningful way. Also, due to the lack of data to inform programme design and administration for greatest impact, the programme failed to identify specific sectors of the economy that would provide the greatest economic return for the funds invested. As a result, funding was awarded to businesses, such as DJs, entertainers, vehicle rental companies, etc., that would yield little economic benefit while the current environment persists. We find it probable that if proper economic data was available, the distribution of funds could have been better targeted to areas that may have produced better economic returns.

d. Furthermore, in the absence of quantifiable financial data, the assessment team created tiers for loss to profit to facilitate the grouping which determined the amounts awarded. In doing so, the review found that the ranges used also created an imbalance in the awards. Based on the 1235 awards, seventy-five percent (75%) were awarded under Group 2, which only required a business to sustain a loss ranging from $200 to $10,000 or breakeven to receive this grant. Similarly, a business in the group that suffered a nine thousand dollar ($9,000) loss would receive the same amount of grant funding. Fifty (50) applicants that reported the most significant loss only received one thousand five hundred and ninety-one dollars ($1,591.00) more than those applicants that possibly broke even or suffered significantly less loss.

Group	Profit/Loss	Grant	Number of Awardees	Total
Group 1	Loss ($10K -$20K)	$ 7,954.00	50	$ 389,746.00
Group 2	Loss ($200 - $10K)/ Breakeven	$ 6,363.00	985	$ 6,184,836.00
Group 3	Profit ($400 -$5K)	$ 4,772.00	143	$ 682,396.00
Group 4	Profit ($>$5K)	$ 3,182.00	5	$ 15,910.00
		$ 3,181.00	3	$ 9,543.00
Group 5	No information on revenue or expenditure provided	$ 1,591.00	46	$ 73,186.00
	Non-classified 1	$ 1,800.00	1	$ 1,800.00
	Non-classified 2	$ 3,125.00	1	$ 3,125.00
	In incorrect subledger	$ 9,000.00	1	$ 9,000.00
			1235	$ 7,369,542.00

e. With criterion for both eligibility and process of application stripped from the programme, we found that the review process to be rudimentary, flawed and not evidence based. Assessment of applications was based on two basic factors, an approved trade license and the reported profit or loss factor as reported by the business owner. No financial information was, in most cases, collected or reviewed to confirm the veracity of the claims made by the applicant. Upon inquiry we were informed that a majority of the applicants did not maintain financial information that could be submitted.

f. Although grants were purportedly awarded on the basis of loss to profit, forty eight (48) applicants were granted awards without any information indicating the applicant's financial position being reported on the application. It is unclear as to the rationale for including provisions and granting awards for businesses that failed to complete the application; however, the awarding of these grants diminishes the purported meritorious nature of the award process of the programme as there is no equitable and transparent basis to judge these applications.

g. Applicants with multiple businesses were allowed to make a separate application for each business, as evidenced by a separate trade license. In an attempt to ensure equity within the programme, a cap of $15,000 or an equivalent to a grant benefit for two (2) businesses per individual applicant with multiple businesses. However, based on the manner in which the applications were reviewed and assessed, effective controls were not put in place to ensure this cap was not breached. In one instance identified thus far, the applicant for businesses (trade licenses for which he is listed as sole owner or co-owner) received in excess of twenty seven thousand dollar ($27,000.00).

h. After reviewing the programme documentation, sufficient consideration was not given to how the financial impact of the programme will be measured. Although the programme is billed as a stimulus, the programme lacked a targeted approach as to how the grant funding would be utilized by recipients. In speaking with key administrators of the programme, it was indicated that it was hoped that the funds would be used to support the businesses in broad terms. Also, it was hoped that at the conclusion of the programme, a survey would be sent to grant recipients to solicit information on the use of the fund; however, that sufficiently reliable baseline information was not collected initially to draw reliable comparison to determine the economic impact of the programme. Furthermore, the declaration that was aimed to ensure adherence to the terms and conditions required for the use of the funds was not implemented even though it was an integral part of the monitoring component of the programme.

Opportunities for improvement

The planned versus actual execution of this programme, exposes significant structural and operational deficiencies in the economic data apparatus in the BVI Government which provides an opportunity for requisite actions to be taken for future benefit:

1. An economic descriptor must be determined and adopted to characterize the entities participating in the economic space in the Territory, as the definition of such entities (MSMEs) as approved by Cabinet in 2018 General Policy Guidelines is inadequate and did not provide clear guidance on how these businesses should be classified. For example, it should be clear as to what constitutes mirco, small, medium and large enterprises within the context of the BVI economy. This should inform what type of data needs to be collected on a continuous basis. Such distinction will also inform future economic policies and programmes instead of the one size fits all that was taken in the administration of this programme.

2. A comprehensive system must be put in place to collect and analyse this data. The database must be constantly updated in order to maintain accurate and complete data that can be used to inform policy decisions on an ongoing basis or in a relatively short period. The current situation where pertinent information is scattered across governmental entities or not collected at all has and will continue to hamper the formulation and deployment of economic policies now and in the future, as it is evident by the deployment of this programme.

3. Business community needs to be trained in proper financial planning and reporting. The fact that businesses either did not possess the requisite financials to support their application speaks volume. Of course, the level of financial reporting training should be commensurate with the classification of the entity. Without such training it will be continually difficult for business owners to accurately report the economic data that is required as a beneficiary of this programme as well as going forward.

4. Greater enforcement of statutory requirements, payment of payroll taxes, NHI and Social Security contribution, needs to be implemented. Based on a review of applications, a significant number of applicants were delinquent in meeting their statutory obligations which would have significantly impacted their award, had that criteria remained. This placed the Government in a precarious position between deciding whether to assist these entities for the sake of the overall economy or limiting assistance due to noncompliance. Without concrete actions to improve this area, the Government may find itself again supporting businesses that are not in compliance with Government regulations and do not contribute to the funding from which they are now seeking to benefit.

Auditor's Opinion

Based on our understanding, although not specifically or clearly indicated, the programme's intent was to assist MSMEs that were negatively impacted by the ongoing COVID-19 pandemic in a transparent, equitable and meaningful way that would aid in their sustainability during this period. When measured against this purpose, the programme's execution failed to fulfill those expectations. The programme was stripped of all basic controls and criteria for determining eligibility, approval and accountability, what was left was an exercise that hinged upon a primal ethos that once an application was submitted that some level of funding should be granted. In the quest to be inclusive and timely in the award and distribution of grants, the programme focused on accommodating businesses rather than executing a process that would optimize the allocation of the grants in a fair and transparent manner to businesses that substantiated that they were negatively impacted by COVID-19.

TRAFFIC TRANSFORMATION AND TRANSPORTATION

Background – Synopsis of programme

On 27 May 2020 Cabinet approved via Extract Memo No. 175 of 2020 an amount, not to exceed Nine Hundred Dollars ($900,000.00) to support the City Transportation Programme Initiative in Road Town. The Initiative includes a shuttle service from the Festival Grounds and a quarantine bus service for returning Nationals and Residents. City of Road Town Park & Ride "Park & Ride" free shuttle service is piloted by the Ministry of Transportation, Works and Utilities (MTWU) and funded through the Premier's Office. In light of the Coronavirus Disease (COVID-19) Pandemic the initiative was expanded to include the Quarantine Bus Service (QBS) for returning Nationals and Residents of the Virgin Islands. As part of the Initiative, the City of Road Town Park & Ride "Park & Ride" free shuttle service was also seen as an opportunity to provide economic stimulus for the Public Transport Operator who may be experiencing reduced income because of the closure of our borders. Based on the programme guidelines the initiative commenced on June 30 and is to last for 1 month in the first instance. A budget was created for the initiative for a three-month period totaling $384,200.00.

Programme Statistics as at March 9, 2021

Programme	Amounts	
Other Expenditure	$	88,448.22
Park and Ride Operator	$	449,225.00
Quarantine Bus Service	$	281,900.00
Traffic Warden	$	38,020.00
Unallocated Credits	$	(12,115.00)
Grand Total	$	845,478.22



Observation for the period - deviations, accomplishment, non-compliance, etc.

1. No policy document was created to guide the programme. Consequently, no performance measures to inform whether the parts of the initiative geared towards economic stimulus is having the desired effect. Although it may be argued that any monies injected into the economy has some stimulating effect, without clearly defined outcomes and appropriate measures it is difficult, if not impossible, to determine the economic impact this programme will have for the monies expended.

2. No programme data is being collected on the usage of the Park and Ride Shuttle Service. This information will be vital in informing any adjustments that might be required for the programme, in terms of expanding or contracting the number of buses in rotation. General observation of the activities has shown that usage of the service is minimal as most of the shuttles are seen along the routes with few or no passengers on board. Based on this observation, without further incentives to utilize the service, the monies expended would not have accomplished the programme's original intent.

3. There are a number of Health and Safety Protocols that have been established for the operations of motor vehicles under this initiative to safeguard against the spread of COVID-19. The Taxi and Livery Commission indicated that they are ensuring that all required protocols are being followed; however no documentation is being retained to support this claim. As such, this Department cannot attest to whether the required health and safety protocols are being adhered to.

4. The Park and Ride initiative was expanded to include taxi operators in response to the impact the closed borders have had on taxi operators. This expansion was done without any analysis on demand for the service, nor was the decision made with any discernible outcome in mind other than a desire to offer some relief to taxi operators during this time. As a result, with no clear objectives no performance measures have been established. Again in the absence of clearly defined outcomes and appropriate measures it is difficult, if not impossible, to determine the economic impact this programme will have for the monies expended.

Opportunities for improvement

1. Usership data should be collected by all drivers. This would provide data to inform structural changes (schedules/number of shuttles) to the programme that would improve its efficiency.

2. Measurable targets should be set for the programme. For example, by what percentage does the initiative intend to reduce traffic in the capital? What is the intended impact of the initiative as a stimulus?

Auditor's Opinion

Although the Park and Ride initiative was established as part of the overall plan to make the city limits a more pedestrian friendly space, the addition of the utilization of taxi operators' only serves as a means of supplementing their income during this time of border closure. It was not based on any overarching need that would augment the overall purpose of the programme as originally envisaged. As based on observations, the service is not being widely utilized. In our overall opinion, the programme in its present state serves more as a relief programme for taxi drivers.

HOUSE OF ASSEMBLY – COVID-19 ASSISTANCE GRANTS INITIATIVE

Background – Synopsis of programme

The Government of the Virgin Islands initiated this programme as a form of social intervention to assist residents of the territory experiencing financial hardship as a direct result of COVID-19 and/or requiring assistance for hurricane recovery and preparation for the 2020 hurricane season. The programme was structured in a manner that allowed Members of the House of Assembly be directly involved in the awarding of grants to their constituents. Support to individuals, households and businesses was capped at $5,000 and each applicant was required to provide evidence of the type and amount of support being requested. Grant approvals are to be governed by a system of means testing and information is to be gathered on other types of assistance that have already been granted to applicants.

Table ** - Statistical data as of December 31, 2020

REPRESENTATIVE	Subledger	# of payments	Total Expended	AVG
District 1 - Hon. A. Fahie	62410001	73	$ 296,980.00	$4,068.22
District 2 - Hon. M. Turnbull	62410020	225	$ 299,982.55	$1,333.26
District 3- Hon. J. Fraser	62410003	134	$ 300,000.00	$2,238.81
District 4- Hon. M. Vanterpool	62410004	195	$ 300,000.00	$1,538.46
District 5 - Hon. K. Rymer	62410051	234	$ 300,000.00	$1,282.05
District 6 - Hon. A. Maduro-Caines	62410060	166	$ 299,996.00	$1,807.20
District 7 - Hon. N. Wheatley	62410070	88	$ 300,000.00	$3,409.09
District 8 - Hon. M. Penn	62410081	156	$ 299,999.04	$1,923.07
District 9 - Hon. V. Wheatley	62410091	245	$ 301,496.00	$1,230.60
At- Large - Hon. N. Smith	62410031	195	$ 300,931.01	$1,543.24
At- Large - Hon. S. Flax-Charles	62410032	290	$ 297,391.50	$1,025.49
At- Large - Hon. S. DeCastro	62410030	168	$ 299,999.96	$1,785.71
At- Large - Hon. Carvin Malone	62410033	129	$ 291,518.36	$2,259.83

*Figure **** - **Percentage Usage of COVID-19 HOA Funds**

Observation for the period – deviations, accomplishment, non-compliance, etc.

Note: *Due to the manner in which applications were received and evaluated, only applications that were recommended by the members and approved by the Clerk were reviewed. Information on ineligible or denied application was not available for review. Our observations are limited to those applications and supporting documentation.*

1. Although the programme policy document requires each applicant to "provide evidence of the type and amount of support being requested", approximately one third of applications approved and paid were not supported by any evidence of the type and amount of the awarded assistance. For example, of the 257 applications classified as Unemployed/Underemployed, approximately twenty six percent (26%) were only accompanied by a letter from the applicant stating that they were unemployed or had their work hours reduced as a result of COVID-19. In addition, most applicants failed to report income on applications or show that income was affected and how this impacted their ability to meet their financial obligations. Although it is understood that the monies were given to the Members to expend to their constituents, the policy paper that guides the programme mandates that sufficient evidence be provided to support the request. Again, applicants would just state that they were unemployed/underemployed and state the amount requested in assistance without indicating or providing evidence as to how the funds would be utilized. As a substantial number of the applications reviewed are only supported by a letter from the applicant claiming financial hardship due to COVID-19, we determined that such letter does not meet the standard of sufficient evidence envisioned in the guidelines for the programme.

2. In reviewing the applications and subsequent awards, the methodology used by members in determining the amount of the grant awarded to applicants could not be identified. Grant awards appear to be arbitrarily determined even when sufficient documentation was submitted to justify the amounts requested by the applicant. In some instances, award amounts were significantly lowered even though there was sufficient documentation to justify a full award while full amounts were awarded to some applicants without any documentation to justify the award. As a result, we found that there were no controls implemented to ensure an equitable disbursement of funds.

3. Although the programme requires coordination with other assistance programmes to avoid duplicity in awards to applicants, instances were found where applicants have received awards from multiple members and assistance programmes across Government, which we find to be abusive.

One of the most glaring cases involves an applicant that applied for and was awarded educational assistance from the following programmes:

a. Premier's Office Assistance Grants Programme - $20,000.00 – educational assistance
b. COVID-19 Assistance –District Representative - $5,000.00 – educational assistance
c. COVID-19 Assistance – District Representative (through application made by parent) - $4,000.00 – educational assistance
d. Ministry of Education Assistance Grants Programme - $20,000.00 - Scholarship

All these amounts were given to the applicant to pursue educational goals.

4. Again, the Policy paper indicates that expenditure should be related or brought on as a result of the COVID-19, and/or hurricane recovery/preparedness; however, based on applications reviewed, there are multiple instances where applicants have utilized the programme to settle obligations that pre-dated the pandemic. For example, applicants have requested assistance to make payment:

   a. on loans that were severely delinquent prior to the pandemic (100-365 days),
   b. credit card payments that were in good standing and applicant's employment and income did not change,
   c. credit cards that were delinquent prior to the pandemic,
   d. persons who were unemployed prior to COVID
   e. reimbursement for bills that were already paid
   f. expenditure that were not related to COVID-19, such as educational, long overdue income taxes, social security, persons not domiciled in BVI, outstanding daycare/school fees
   g. District Office rent prepayment and maintenance

5. While it is not being mentioned to be frowned upon, there is a noticeable trend where members have instituted a food voucher system to assist constituents. However, our concern lies in the absence of sufficient controls to ensure accountability within this programme. Members are approving large payments to supermarkets in exchange for vouchers, which will then be distributed to "needy" constituents; however, it is unclear what system is being used to determine who is assisted through this method. As COVID-19 assistance was intended to be an application based programme, the execution of this programme in this manner diminishes both transparency and accountability.

6. There is a lack of consistency in the manner in which payments are made when the request involves monies owed to third parties by applicants. Although the guidelines dictate that payment be made directly to third parties and vendors where practicable, multiple instances where such payments were made to the applicant, even in instances where documentation was provided. However, the majority of such instances occurred when the applicant failed to provide documentation of the outstanding debt. The control of making direct payment to third parties was to ensure that the assistance awarded was utilized for the intended purpose.

7. A majority of the applications reviewed were incomplete with comparative income information usually omitted. Consequently, assessment could not be conducted to determine the severity of the financial impact of COVID-19 on applicants prior to and during COVID-19. Additionally, numerous instances were observed where there was no change in reported income; however, applications were approved and grants awarded. Notably among these applications were Public Officers whose salaries have not been affected by COVID-19. This gives the impression that grants were not based on the assessed financial impact of COVID-19 but rather on a discretionary basis by each Member.

8. Although assistance for Hurricane Preparedness and Hurricane Recovery are permissible within the programme, sufficient guidance was not provided to guide members as to what constitutes as preparedness and recovery. Consequently, requests of a tangential nature are approved. When the standards (water tight) utilized by the Ministry of Health and Social Development's Housing Recovery Unit is applied in evaluating these awards there is clearly a more liberal definition of what constitutes recovery in the HOA assistance programme. Within the HOA assistance programme grants are awarded to purchase furniture and appliances as hurricane recovery and payment of insurance premiums and generators as hurricane preparedness.

Opportunities for improvement

1. Social services mechanisms must be enhanced to respond to social issues such as this. Systems must evolve to a degree where the social service apparatus can continually identify the most vulnerable in our society and deploy services that can meet the needs in an evidence-based manner. These systems should be employed in a way that removes subjectivity in the awarding of assistance as is the case of the system currently employed by the House of Assembly.

2. Again, social service data need to be regularly collected and analyzed to better inform social policies. A more targeted approach must be employed to identify, assess and assist the vulnerable segments of our population without such a heavy dependency on elected officials to determine who will be assisted and in what manner. Objective rather than subjective tests must be employed to present a more fair and equitable distribution of resources.

Auditor's Opinion

It is our opinion that this programme was not structured in a manner that promoted transparency in the decision making nor equity in the distribution of funds. The programme was shrouded in ambiguity which made it difficult to administer which resulted in the broadest spectrum of assistance being offered. Even where there were some limitations, applicable guidelines were stretched to the fringes of applicability. Even the controls applicable for approval were farcical in that secondary and when necessary tertiary approvals were seemingly put in place to simply facilitate payment without any apparent authority in the decision making process.

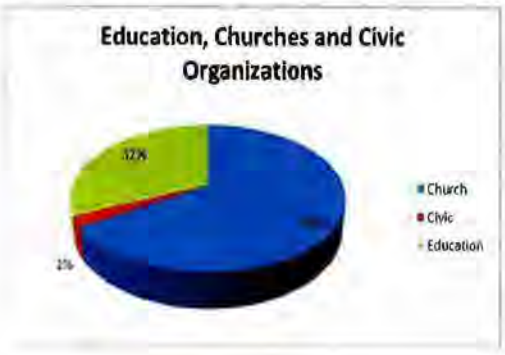
SUPPORT TO DAYCARES, PRIVATE SCHOOLS AND RELIGIOUS ORGANIZATIONS

Background – Synopsis of Programme

Realizing that daycare, educational, and religious institutions were affected by the COVID-19 pandemic and given the importance of these institutions to the fabric the BVI community, the Government through its Economic Response initiative sought to provide some assistance to these organizations to defray the cost of implementing a number of social distancing and health requirements required for reopening. According the policy brief and administrative guidelines, the budget for the programme was one million dollars, however, two million dollars was approved for the programme through the Social Security Grant.

- ***Programme Statistics as of March 9, 2021***

Group		Amount
Church	$	1,604,000.00
Civic	$	55,000.00
Education	$	768,626.00



Note:

No analysis, beyond the financial allocations, could be conducted on this programme due to the unavailability of the information needed to conduct planned analysis. Although a policy brief and administrative guideline were received and reviewed, substantive documentation on the actual execution of the programme was not provided although requested on multiple occasions.

SUPPORT TO AGRICULTURE AND FISHERIES

Background

Cabinet via memo #179/2020 dated 27th May 2020 approved the criteria document to assess the eligibility of farmers and fishermen qualification for assistance through the COVID-19 Economic Stimulus Response. Additionally, the application form, priority areas list, templates and production logs for reporting and accountability in the various areas to be completed by the Department of Agriculture and Fisheries. The programme was funded through a two million dollar grant from the Social Security Board.

Table of statistical March 9, 2021

Farming		
Award Amt	**Number**	**Total**
$ 9,000.00	166	$ 1,494,000.00
$ 11,000.00	2	$ 22,000.00
$ 13,500.00	174	$ 2,349,000.00
$ 22,500.00	19	$ 427,500.00
		$ 4,292,500.00

Fishing		
Award Amt	**Number**	**Total**
$12,000.00	1	$ 12,000.00
$15,000.00	19	$285,000.00
$20,000.00	20	$400,000.00
		$697,000.00

Note:

No analysis, beyond the financial allocations, could be conducted on this programme due to the unavailability of the information needed to conduct planned analysis. Although the documents stated above were intended to be used to manage and report on the programme, no information was provided to validate that documents were actually utilized in the execution and management of the programme. Again, substantive documentation on the actual execution of the programme was not provided although requested on multiple occasions.

CONCLUSION

From the information available for analysis, we have concluded that the programmes selected as part of the economic response and stimulus programme were not guided by sound economic data nor clear programme objectives and outcomes. From all indication, the programmes were selected and deployed on an adhoc basis and not from a well thought out strategic objective. In most instances eligibility and selection criterions were vague or diluted which caused a wide array of beneficiaries without any real analysis to that would guide funding to beneficiaries that were legitimately in need or businesses that would genuinely contribute to the economic output of the territory. In addition, the overlapping nature of the programmes potentially caused beneficiaries to "double dip" by receiving awards from multiple programmes for the same need or "expense". The absence of established programme objectives and outcomes and the requisite performance measures leaves little opportunity for the programmes to be adequately evaluated and for any determination to be made about the programmes achieving intended objectives.

These initiatives were Government's multi-million dollar fiscal policy effort to sure-up the economy as well as offer some monetary relief to citizens that were verifiably impacted by the COVID-19 pandemic. While the efforts in deploying these programmes under such extraordinary circumstances are applauded, it is the final conclusion that these programmes were designed and deployed in a manner that had little objectivity and accountability.

GOVERNMENT OF THE VIRGIN ISLANDS
Ministry of Finance

CONFIDENTIAL

OUR REF.: **FIN/G2/110**

FROM: Financial Secretary

TO: Director of Internal Audit

DATE: 18th June, 2020

SUBJECT: Economic Stimulus - Farmers and Fisherman - Memo No. 179/2020

Further to the decision made by the Cabinet on 27th May, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. approved the criteria document to assess the eligibility of farmers and fishermen qualification for assistance through the COVID-19 Economic Stimulus Response two million dollars ($2M) facility attached at **Appendix B**;

b. approved the application form for farmers and fishermen to apply for assistance through the COVID-19 Economic Stimulus Response $2M facility attached at **Appendix C**;

c. approved the priority areas list for farming and fishing attached at **Appendix D**;

d. noted the updated list of registered commercial farmers and fishermen attached at **Appendix E**;

e. approved the templates and production logs for reporting and accountability in the various areas to be completed by the Department of Agriculture and Fisheries on a monthly basis attached at **Appendix F**;

f. approved that the initiative is audited on a monthly basis by the internal auditor and the report forwarded to Cabinet by the Minister of Finance within one (1) month after receipt; and

g. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.

Yours sincerely,

MINISTRY OF FINANCE [redacted] 20
Clenroy X. Forbes
BRITISH VIRGIN ISLANDS

GOVERNMENT OF THE VIRGIN ISLANDS

APPLICATION FOR STIMULUS ASSISTANCE FARMERS & FISHERMEN

Date: _____ day of _____, 2020

APPLICATION DETAILS	
First Name:	
Middle Name:	
Last Name:	
Home Address:	
Contact Details:	Home: _____ Cellular Number: _____ Other: _____
Email Address:	
Status:	( ) Virgin Islander ( ) Belonger ( ) Resident Status ( ) Naturalised Citizen
Type of Business:	( ) Farmer ( ) Fisherman ( ) Both
What is your main Source of Income?	( ) Farming ( ) Fishing ( ) Other (Please specify) _____
What are your top three (3) immediate needs? (Rank them in order of importance)	(1) _____ (2) _____ (3) _____
Do you engage in fishing for commercial purposes?	( ) Yes ( ) No
Are you a licenced commercial fisherman?	( ) Yes ( ) No If no, please explain _____ _____

Do you engage in farming for commercial purposes?	( ) Yes ( ) No If no, please explain _____ _____
Are you a licenced commercial farmer?	( ) Yes ( ) No
Please indicate the topography of the land on which you farm.	( ) Flat ( ) Gently Sloping ( ) Steep
What crops do you farm?	
Please indicate which of the following categories of commercial enterprise applies to your farm.	***Farm Type – Poulty*** Broiler: ( )Small *(50-100)* ( ) Medium *(>500)* ( ) Large *(>1,000)* Layer: ( )Small *(50-100)* ( ) Medium *(>500)* ( ) Large *(>1,000)* Duck: ( )Small *(50-100)* ( ) Medium *(>500)* ( ) Large *(>1,000)* ***Farm Type – Sheep and Goats*** Sheep: ( )Small *(10 Ewes)* ( )Medium *(11-25 Ewes)* ( )Large *(>25 Ewes)* Goats: ( )Small *(10 Ewes)* ( )Medium *(11-25 Ewes)* ( )Large *(>25 Ewes)* ***Farm Type – Cattle*** ( )Small *(5 Cows)* ( )Medium *(6-20 Cows)* ( )Large *(>20 Cows)* ***Farm Type – Pigs*** ( )Small *(5 Sows)* ( )Medium *(6-15 Sows)* ( )Large *(>15 Sows)* ***Farm Type - Rabbits*** ( )Small *(20 Does)* ( )Medium *(21-50 Does)* ( )Large *(>50 Does)*

I certify that the facts set forth in the above application are true and complete to the best of my knowledge. I understand that falsified statements on this application in any detail shall be considered sufficient cause for disqualification from further consideration for hire or for dismissal.

Signature: _____ **Date:** _____

FOR MINISTRY USE ONLY

( ) Approved ( ) On Hold ( ) Pending ( ) Denied

Terms of Approval

_____

_____

Signature: _____ Date: _____

B

1.0 Eligibility Criteria – Economic Stimulus Farmers and Fishermen

1.1 Farmer

Farmers must:

- ❑ be registered with the Department of Agriculture and Fisheries; or
- ❑ provide a notarized letter of referral from a fit and proper person verifying that you have been engaged in farming for the past three years if not registered with the Department of Agriculture and Fisheries.
- ❑ depend on farming as a source of income;
- ❑ be engaged in commercial agriculture as defined in Table 1; or have been engaged in commercial agriculture within the past three years; or
- ❑ provide sufficient information of your engagement in commercial agriculture within the past three years in a manner not covered in table 1 for consideration for approval by the Minister of Agriculture.

Table 1: Scale of Commercial Agriculture in the Virgin Islands

FARM TYPE	SMALL	MEDIUM	LARGE
Broiler	50-500	>500	>1,000
Layer	50-500	>500	>1,000
Duck	50-500	>500	>1,000
Sheep	10 Ewes	11-25 Ewes	>25 Ewes
Goat	10 Does	11-25 Does	>25 Does
Cattle	5 Cows	6-20 Cows	>20 Cows
Pig	5 Sows	6-15 Sows	>15 Sows
Rabbit	20 Does	21-50 Does	>50 Does
Crop	10890–21780sq.ft.	21781- 43560sq.ft.	>43560sq.ft.

Any level of agriculture below small commercial will be considered as backyard farming. Farmers who do not meet the criteria as stipulated for commercial farming will not benefit from the stimulus package.

1.2 Fishermen

Fishermen must:

- ❑ be an existing licenced commercial fisher as defined under the Virgin Islands Fisheries Act, 1997 and Regulations 2003; or
- ❑ have held a commercial fishing licence within the past three years; or
- ❑ ; provide a notarized letter of referral from a fit and proper person verifying that the fisherman have been engaged in fishing for the past three years if he or she does not have an existing commercial fishing licence.

2.0 Implementation Process

2.1 Farmers and Fishermen are required to complete and submit application form to the Permanent Secretary, Premier's Office.
- Applications will be made available on the Government Website, or can be emailed to applicant upon request, or hard copies can be collected from the Ministry of Education; or the District Offices on Virgin Gorda, Anegada; and Jost Van Dyke; or from the Sister Islands Coordinator; or from the District Representatives; or a Territorial At Large Representative; or persons can collect the application form from the Premier's Office.
- Farmers or Fishermen who do not have access to a computer or the internet can be assisted by their District Representative or District Officer, or Sister Islands Coordinator; or one of the Territorial At Large Representatives; or can come to the Premier's Office where staff will be available to assist in the completion and submission of the application form. Persons can also be assisted by Premier's Office Staff in completing the application via telephone.

2.2 *Documentation required for submission with Application*

1. Completed application form
2. Proof of Status (Virgin Islander, Belonger, Resident or Naturalised Citizen)

3. Estimate of materials, works to be done, or equipment required with photos where possible
4. Copy of Trade License or Fishing License or the notarized letter verifying engagement in farming or fishing for the past three years.

2.3 *Assessment Process*

Each applicant who satisfies the criteria, prior to approval by the Premier's Office, will be assessed and verified by the Department of Agriculture and Fisheries or any other entity vetted and approved by the Premier Office.

Each applicant who satisfies the criteria and who requested repairs to physical structures, among other works will be assessed by Public Works Department or a licenced contractor or quantity surveyor vetted and approved by the Premier's Office who will further determine the needs and costs to repair structure, cut access roads to farm lands or any other works or material or resources that maybe required.

2.4 *Payment of Grants*

Payments will be processed by the Premier's Office from Head 22204090 Subhead 561100 Assistance to Farmers/Fishermen

Payments will be made directly to suppliers and contractor on behalf of the farmer or fisherman subject to the submission of proforma invoices.

Payment of labour cost for repairs and other approved works must be verified by Public Works Department or the Ministry of Finance Project Unit before payment can be processed. Photos of completed works before, during and after will be required as proof of works completed to assist in the verification for payments.

Approval of amounts that exceed $15,000.00 will require signature of the Minister of Finance before vouchers are processed.

C

GOVERNMENT OF THE VIRGIN ISLANDS

APPLICATION FOR STIMULUS ASSISTANCE FARMERS & FISHERMEN

Date: _____ day of _____, 2020

APPLICATION DETAILS	
First Name:	
Middle Name:	
Last Name:	
Home Address:	
Contact Details:	Home: _____ Cellular Number: _____ Other: _____
Email Address:	
Status:	( ) Virgin Islander ( ) Belonger ( ) Resident Status ( ) Naturalised Citizen
Type of Business:	( ) Farmer ( ) Fisherman ( ) Both
What is your main Source of Income?	( ) Farming ( ) Fishing ( ) Other (Please specify) _____
What are your top three (3) immediate needs? (Rank them in order of importance)	(1) _____ (2) _____ (3) _____
Do you engage in fishing for commercial purposes?	( ) Yes ( ) No
Are you a licenced commercial fisherman?	( ) Yes ( ) No If no, please explain _____ _____

Do you engage in farming for commercial purposes?	( ) Yes ( ) No If no, please explain _____ _____
Are you a licenced commercial farmer?	( ) Yes ( ) No
Please indicate the topography of the land on which you farm.	( ) Flat ( ) Gently Sloping ( ) Steep
What crops do you farm?	
	Farm Type – Poulty Broiler: ( )Small *(50-100)* ( ) Medium *(>500)* ( ) Large *(>1,000)* Layer: ( )Small *(50-100)* ( ) Medium *(>500)* ( ) Large *(>1,000)* Duck: ( )Small *(50-100)* ( ) Medium *(>500)* ( ) Large *(>1,000)*
Please indicate which of the following categories of commercial enterprise applies to your farm.	***Farm Type – Sheep and Goats*** Sheep: ( )Small *(10 Ewes)* ( )Medium *(11-25 Ewes)* ( )Large *(>25 Ewes)* Goats: ( )Small *(10 Ewes)* ( )Medium *(11-25 Ewes)* ( )Large *(>25 Ewes)* ***Farm Type – Cattle*** ( )Small *(5 Cows)* ( )Medium *(6-20 Cows)* ( )Large *(>20 Cows)* ***Farm Type – Pigs*** ( )Small *(5 Sows)* ( )Medium *(6-15 Sows)* ( )Large *(>15 Sows)* ***Farm Type - Rabbits*** ( )Small *(20 Does)* ( )Medium *(21-50 Does)* ( )Large *(>50 Does)*

I certify that the facts set forth in the above application are true and complete to the best of my knowledge. I understand that falsified statements on this application in any detail shall be considered sufficient cause for disqualification from further consideration for hire or for dismissal.

Signature: _____ **Date:** _____

FOR MINISTRY USE ONLY

( ) Approved ( ) On Hold ( ) Pending ( ) Denied

Terms of Approval

_____

_____

Signature: _____ Date: _____

D

Priority List of areas for farming and fishing

4.1 Priorities identified by the Department of Agriculture and Fisheries

4.11 Commercial Production

Commercial Production	Crown land	Private lands
Livestock Production	❑ Poultry ❑ Pigs ❑ Rabbits	❑ Cattle ❑ Sheep ❑ Goats ❑ Poultry ❑ Pigs ❑ Rabbits
Crop Production	❑ Cash crops ❑ Herbs and spices ❑ Root crops	❑ Cash crops ❑ Root crops ❑ Fruit trees
Fisheries	❑ Deep sea fishing ❑ Handlining ❑ Longlining ❑ Trolling	

E

COMMERCIAL FISHERMEN REGISTERED FOR ECONOMIC STIMULUS AS OF 22 MAY 2020					
No.	First Name	Last Name	Status	District	Main Source of Income
1	[redacted]		Belonger	[redacted]	Fishing
2			Belonger		Fishing
3			Belonger		Farming
4			Belonger		Fishing
5			Belonger		Government
6			Belonger		Watersports operator
7			Belonger		Fishing
8			Belonger		Technician
9			Belonger		Claims Adjuster
10			Belonger		Fishing
11			Belonger		Government
12			Belonger		Fishing
13			Belonger		Fishing
14			Belonger		Fishing
15			Belonger		Fishing
16			Belonger		Fishing
17			Belonger		Vessel Captain
18			Belonger		Fishing
19					
20			Resident status		Fishing
21					
22			Belonger		Fishing
23			Belonger		Fishing
24			Belonger		Fishing
25					

COMMERCIAL FISHERMEN REGISTERED FOR ECONOMIC STIMULUS AS OF 22 MAY 2020

No.	First Name	Last Name	Status	District	Main Source of Income
26	[redacted]			[redacted]	
27			Belonger		Fishing
28					
29					
30			Belonger		Fishing
31			Belonger		Fishing
32			Belonger		Fishing
33			Belonger		Fishing
34			Belonger		Fishing
35			Belonger		Fishing and Hotel/ Restaurant Owner
36			Resident status		Fishing

F

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Field History / Previous Land Use Record

Use this form to document land requirements, including date, location, and identity of all materials applied to the land during the past 36 months in order to establish a date of last application of prohibited materials and determine eligibility for certification.

Complete one form for each location for which you have completed a Land Requirements Form. Include all fertilizer and pest-management materials applied. Attach additional pages if needed.

Field, Pasture, or Location ID:

Year	Crop or Land Use	Material / Product Brand Name	Manufacturer	Application Date(s)
This year: 20__				
Last year: 20__				
Two years ago: 20__				
Three years ago: 20__				

The information provided above is complete and accurate to the best of my knowledge:

Signature _____ Date _____

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Land Use History Verification

Organic Producer Name: Crop Production Year:

I _____, affirm that the parcel(s) of land described below were farmed/ranched by me or were under my management and control during the following dates: _____ - _____ I also affirm that during this time, to the best of my knowledge, there were no herbicides, pesticides, fungicides, fungicide-treated seed, synthetic fertilizers, or other prohibited materials applied to this land.

Description of land parcel(s) by assessor's parcel number, county, township/section/range, (or other regulatory description):

_____

Number of acres in parcel(s) _____

All materials that have been applied to any of these fields are described below: what was applied, the specific date of application, and field number or parcel. ☐ No materials applied

Parcel / Field Location & Crop	Material / Manufacturer	Date Applied

I submit that the above is true and accurate on this date of _____

_____

Signature

_____

Name (printed)

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Activity Log

Use this form to record all types of farm or ranch activities and make notes about observations. Include details about crops and/or livestock at a given location: planting, input applications, mowing, irrigation, pest monitoring, weather, etc. Records may be kept in any type of notebook or format.

Farm/Location: Year:

Date	Activities
Example: 10/1	*Planted cover crop*

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Activity Calendar

Use this form to record all types of farm or ranch activities and make notes about observations. Include details about crops and/or livestock at a given location: planting, input applications, mowing, irrigation, pest monitoring, weather, etc. Records may be kept in any type of notebook or format.

Month/Year: Farm/Location:

	1	2	3 Example: *Planted 200 lb/ acre org. soil builder cover crop, Field A*	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Planting and Harvest Record

Use this form to record crop acreage and location (for documentation of crop rotation), planting and harvest dates, yield, and sales (for production verification audit).

Location	Crop Variety / Source or Lot#	Transplant / Seeding or Wet Date (if irrigated)	Harvest Date(s)	Harvest Quantity / Yield	Buyer / Price
Example: Field A, 1 ac.	*Waltham butternut,*	*Direct seeded, wet*	*8/31*	*25 boxes*	*ABC market*

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Crop Rotation Record

Use this form to document crop rotations. Please note that the term "crops" includes not only those intended for harvest and sale, but also cover crops or green manures that are incorporated or pasture and forage crops that are grazed. (Alternatively, field maps may be copied to note the crops grown each year in each location. Maps can be a mainstay of recordkeeping systems if they include soil-fertility and pest-management inputs.)

Farm

Location[1]	Year/Season & Crop(s)	Year/Season & Crop(s)	Year/Season & Crop(s)	Year/Season & Crop(s)
Example: Field 1	*Summer 2011: Tomatoes Winter cover crop: bell beans*	*Summer 2011: Broccoli Fall: (12*	*Winter 2011-12 cover crop: Soil builder mix (oat, barley, bell*	*Summer 2012: Cucumbers Winter cover:*

[1] Farm, ranch, field, pasture, parcel, plot, or bed.

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Input Material Application Record

Use this form to record application of all types of inputs, including manure, compost, soil amendments, fertilizers, plant- ing media or potting soil, mulches, and pest-management materials. Please be as specific as possible, and use the complete product name. (This form has many possible modifications. For example, if you use multiple inputs in a given location and/or crop, write the location and crop at the top of the form and eliminate that column in the chart.)

Farm or Ranch Location/Crop: Year:

Date Applied	Location and Crop[2]	Material[3] Product Name	Source/ Manufacturer[4]	Purpose / Reason for Use[5]	Organic Status Verification[6]	Application Method and Rate / Amount
3/1	*Field 1 Broccoli*	*Dipel DF*	*Valent BioSciences*	*Worm control*	*OMRI listed*	*½ lb/acre*

Documentation should be available for inspection to support the information recorded by producers, including the following, as applicable: receipts for purchased inputs, labels for any materials not listed on an approved list, receiving/source records for any free input materials, or county Pesticide Use Reports.

[2] Farm, field, parcel, or bed, and crop (including cover crops, green manures, pasture, etc.).
[3] Material or product name and formulation, if applicable.
[4] Source or Manufacturer. It is necessary to correctly identify the manufacturer (the one that formulates, manufactures, and packages a product) in order to verify whether a product is allowed for use in organic production. Be careful to note the manufacturer (distinct from the distributor—a business from which you purchase a product but that does not make it).
[5] Purposes may include soil fertility and pest- or disease-management, etc. Some materials, for example, are allowed for pest management but not as a soil amendment.
[6] OMRI or WSDA List, NOP Seal on label, or certifier review and approval.

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Compost Production Record

Use this form to describe how your compost-production process meets the requirements of the definition of compost and NOP § 203(c)(2) or NOP Guidance 5021.

Farm Name: _____ Production Year: _____

Compost System: Windrow Static Aerated Pile In-Vessel

Other (specify) _____

Compost Pile, Windrow or Unit ID:

Location/Method of Temperature Reading:

Feedstocks / Materials Used (and quantity)	Estimated C/N Ratio of mixture
Example: Weeds and crop residues, Chicken manure, Spoiled hay, Kitchen waste	*30:1*

Date	Temperature	Turned?	Initials of Responsible Party

Notes:

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Manure Application / Food Crop Harvest Interval Record

Use this form to document that the requirement for the interval of 90 or 120 days between the application of raw ma- nure and harvest of a food crop has been met. (NOP § 205.2: Manure, and § 205.203 (b)). Optional: Additional notes can be added regarding compliance with international standards; disregard that column if it's not applicable.

Farm: Year:

Location and Crop	Date /Rate of Manure Application	Date of Harvest— Estimated	Date of Harvest— Actual	How Applied / Incorpor- ated	Manure Type, Form and Source	Documenta- tion of EU Compliance
Example: Field	*3/1 5 tons/ acre*	*7/1*	*7/15*	*Manure spreader disk*	*Chicken, dry, on*	*Organic certificat*

Documentation should be available for inspection to support the information recorded by producers, including receiving/source records. International standards and some concerns related to NOP regulations may necessitate letters describing animal manure production systems, additives, etc.

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Seed Records Part A: Suppliers of Seed or Planting Stock

Use this set of forms to document your search for commercially available organic seed—or reasons for the lack thereof—if any nonorganic seed or planting stock is used.

Use Part A to list the names and contact information of seed- and/or planting-stock suppliers who handle organic seed and/or planting stock as well as who you contact regarding availability of what you seek to purchase—and notes about commercial availability (quantity, quality, and form). It will serve as a reference with contact information for potential sources of organic seed (see also ATTRA's Directory of Organic Seed Sources *http://attra.ncat.org/attra-pub/organic_seed/*).

Use Part B to document your search for organic seed and stock as well as the reasons for the lack of commercial availability (quantity, quality, and form) if nonorganic seed or planting stock are used.

Use Part C to document the compliance of any seed treatments, coatings, or inoculants used.

Part A: Potential Seed Sources

Company or Seed Source	Contact Information	Abbreviation

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Seed Records Part B: Nonorganic Seed or Planting Stock

Use this form to list all nonorganic seeds and/or planting stock used or planned for use, documenting how the seeds and/or planting stock listed below a) qualify for an exemption allowing the use of nonorganic seed and/or planting stock when an equivalent organically produced variety is not commercially available, and if so, b) that they have been verified to be untreated and non-GMO.

If applicable, complete part C (on page C12) or adapt this form to list seed treatments, coatings, or inoculants.

Nonorganic Seed or Planting Stock Type and Variety	Supplier / Quantity Used	Reason for Commercial Nonavail-ability: form, quality, quantity (explain as needed)	Suppliers Contacted (list numbers or abbreviations from list of seed suppliers)	Documentation of Allowed Status: a) allowed list b) no prohibited treatments c) non-GMO

Documentation should be available for inspection to support the information recorded by producers, including the following as applicable: purchase receipts, order forms and special requests, and organic certificates (current copy) for all annual seedlings or transplants.

Documentation Forms for Crops Producers

Seed Records Part C: Documentation of Allowability of Seed Treatments, Coatings, or Inoculants

Use this form to record seed treatments and coatings or inoculants, or adapt form B to include these materials and practices.

Date	Location	Crop / Variety	Inoculant or Seed Coating	Documentation of Allowed Status

Documentation Forms for Crops Producers

Seed-saving and Planting-stock Propagation Record

Harvest Date	Crop / Variety	Field / Location of Harvest or Propagation	Quantity / Storage Location

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Harvest Record

Use this form to track harvest and sale of your organic crops. The audit trail is complete when the producer releases control of the product.

Farm Name: Crop Year/Season:

Harvest Date	Location (Field or Parcel ID)	Crop	Quantity	Where Stored or Sold

Documentation should be available for inspection to support the information recorded by producers, including, as applicable: receipts and organic certificates for any purchased product; transport records (e.g., delivery tags, receiving tags, bills of lading, and clean transport records); and sales records (purchase orders, invoices, or other types of records of the transaction).

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Farmers Market Load List or Farm Stand Sales Record

Farm Name: Location: Date(s):

Crop or Product	Unit of Measure (bunches, baskets, boxes, lb., etc.)	Quantity		Sold		
		To Market:	Remaining:	Quantity	Price*	Revenue

* Prices may change through the market for a variety of reasons.

Expenses

Farmers market stall fee: _____

Mileage: (Number of miles round trip x $.50/mile (current government rate) = _____

Wages of employees to staff market (number of hours x $___/hour = _____

Miscellaneous expenses (specify) _____

Total Expenses: _____

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Harvest Plan and Record "Pick List"

Use this form to record (plan for) specific crop harvest, with quantities and sales destinations

Date: **Farm or Location:**

	Markets (across)	*Example*					
Crops (down)	Harvest Location (specific)	*Sunnyside Market*					
Example	*Field 1*	*1 box (12*					

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Community Supported Agriculture (CSA) Weekly Harvest And Cost Summary

Use this form to record weekly harvest and sales to CSA members. In addition to NOP compliance, this form provides a farm-management and financial tool.

Week of: Weekly Share Price for Full Share:

Produce	Crop / Variety	Source (farm or purchased product[7])	Quantity of Product	Value of Product[8]	Quantity (number of shares)	Total Value or Revenue[9]
LABOR	Worker	Rate		Hours		Total
DELIVERY	Route	Miles	Rate			Total
Other CSA-Related Travel or Expenses						

[7]Purchased product should be indicated on this list as well as in any written communication (such as a weekly newsletter) that shareholders receive, so that anyone can tell where each product comes from and whether it is certified organic.
[8]Value. This column is included to help the farmer align future share price with the box contents (generally established by the price of that item if it were to be sold at a farmers' market).

[9]This column may be used to record either total value of produce sold or total revenue. These are two different pieces of information, both of which may be useful to the farmer to help determine the profitability of current practices and future pricing. CSA shares are generally purchased by the season or month. If used to record revenue, the column merely provides a reference to compare costs with revenues on a weekly basis.

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Harvest Instructions / Record

Use this form to record clear directions for accomplishing detailed harvest operations that vary frequently from day to day with the changing of the season—such as a market-garden harvest for direct markets—and to provide a record of harvest totals. This form may be especially useful when working with new farm employees. This is one of several options for harvest records; use the one that best meets your farm's needs.

Date: Market (or CSA Distribution):

Location	Crop	Variety	Quantity	Comments (quantity, special harvest instructions, post-harvest handling, storage, etc.)	Initial When Complete
Example Bed	*Parsley*	*Curly*	*10 bunches*	*Size of bunches—loosely gathered, should fill the space between thumb*	

GOVERNMENT OF THE VIRGIN ISLANDS

Documentation Forms for Crops Producers

Total Farm Sales Record

Use this form to summarize sales over the course of a season or year, such as a total of Farmers Market sales or other types of sales.

Farm Name: Crop Year:

Date of Sale or	Market or Buyer	Record and Location	Total Sales Receipts $	Expenses	Net for Market

Documentation should be available for inspection to support the information recorded by producers, including the following, as applicable: receipts and organic certificates for any purchased product; transport records (e.g., delivery tags, receiving tags, bills of lading, and clean transport records); and sales records (purchase orders, invoices, or other types of records of the transaction).

Documentation Forms for Organic Crop Producers

Storage Inventory Record

Use this form to track product storage and inventory balance.

Crop or Product Stored	Storage Location and Type	Quantity / Date In	Quantity / Date Out	Inventory Balance

Documentation should be available for inspection to support the information recorded by producers, including the following, as applicable: grower statements, invoices, delivery/receipting tags, and other types of audit trail documents. The audit trail is complete when the producer releases control of the product

Documentation Forms for Organic Crop Producers

Equipment Cleaning Log

Use this form to record cleaning of all application, harvest, and transport equipment that is not dedicated to organic operations but is also used for nonorganic materials and to verify adequate cleanliness to ensure that nonorganic products and/or prohibited materials do not contaminate organic crops or products. The producer may modify this form to include equipment and cleaning procedures (to avoid repetitive entries) with spaces to be checked off when completed.

Date	Equipment or Surface	Cleaning Methods and Materials	Responsible Party

Documentation Forms for Organic Crop Producers

Clean Transport Affidavit

Use this form to record how transport vehicles used for nonorganic materials are verified as being inspected and/or cleaned adequately to ensure that nonorganic products and/or prohibited materials do not contaminate the organic crops or product.

Producer/Business Name:

Date Transport Unit Loaded:

1. Type of transport: ☐ farm wagons ☐ farm truck ☐ bulk semi trailer
☐ common carrier ☐ tanker ☐ other (specify)_____

2. The transportation was arranged by: ☐ grower ☐ buyer ☐ other (specify) _____

3. Is the form of transportation only used for organic products? ☐ yes ☐ no
If no, state products transported prior to organic: _____

4. Transport unit was inspected and found to be free of:
☐ foreign odors ☐ residues ☐ conventional products ☐ other substances which may compromise organic integrity (describe as needed) _____

5. List transport unit ID # with the following information:

Transport Unit / Vehicle Identification	Organic Crop and Lot #	Check (☐) if vehicle was inspected prior to loading organic product	Cleaning method: Check (☐) all that apply. If Other, describe method.				
			Swept	Vacuum	Air blown	Washed	Other

I hereby certify that the above transport units were inspected and cleaned thoroughly using the method indicated to protect the integrity of the organic products being transported.

_____ _____
Signature Date

Documentation Forms for Organic Crop Producers

Buffer Crop Disposition Records

Use this form to document what happens to crops that are grown on buffer land that is organically managed but may be exposed to some risk of contamination from neighboring land such that the crop should not be sold as organic. Docu- mentation should be appropriate to the nature of the buffer zone and the quantity of crop produced there. Buffer crop disposition options may include harvest and sale as nonorganic, harvest for home use, donation to workers or gleaners, or disking under. Commercial quantities of crops require more formal documentation (delivery tags and nonorganic sales records) to show that the buffer crop has not been represented as organic. If the amount of product is small and the product is not sold, less formal documentation—such as this form—may suffice. Always check with your certifier to agree on what constitutes sufficient documentation—before harvest season arrives.

Location: *Example: North side of Parcel 1, one row of apple trees (25 trees).*

Buffer Crop: *Example: Fuji Apples*

Map: *Example: Map shows neighboring conventional apple orchard to the south of parcel. Note indicates that the land is flat; no slope. Arrows indicate cardinal direction, north, and prevailing winds from the east.*

Marking: *Red ribbon is tied around the trunks of all buffer trees before harvest crews arrive. Dated photograph in file matches day before harvest.*

Date	Crop / Variety	Location	Disposition (sold, donated, home use, disked, etc.)	Quantity (in case of a harvest)	Sales (gross revenue in	Documentation (type and location)
10/1	*Fuji apples*	*Parcel 1 North side, Single row*	*Sold as conventiona l*	*1 4x4 bin*		*Delivery tag and sales record, Apple Bob's, In filing cabinet, buffer crop*

Documentation Forms for Organic Crop

Sample Neighbor Notification Letter

(Date)

(Name and address)

Dear (Name):

I am currently a certified organic farmer with _____(name of your certifying agent), managing my fields in a manner consistent with the USDA National Organic Program regulations.

Since you are an adjoining property owner, I need to inform you of my plans and ask for your help. If you plan to use synthetic fertilizers, pesticides, and/or genetically engineered crops on land that adjoins my fields, please take precautions when transporting or spraying to prevent over spray, chemical or genetic drift, or run-off onto my farm. If chemical drift is found on my organic crops or fields, I may be required to wait up to three years before using these fields for organic production. This could also cause loss of my organic certification and/or loss of the organic premium for crops grown on affected fields.

(Optional Paragraph) I understand that you are currently not using any synthetic fertilizers, pesticides, and/or genetically engineered crops on the (field or pasture) that borders my farm to the_____(east, west, north or south) and adjoins my field # (_____). If you are willing to sign the enclosed Verification of Adjoining Land Use form, I will not be required to maintain a buffer zone between your field and mine. Also indicate the location of your adjoining fields on the map enclosed. Please return the signed statement as soon as possible.

If you would like to know more about my organic certification or have any other questions, please call. Thanks for your help.

Sincerely

(Signature of organic farmer)

Enc.:

Verification of Adjoining Land Use letter

Farm map

Documentation Forms for Organic Crop

Adjoining Land Use Verification

I verify that I am the farmer of Location _____.

I am aware that my neighbor, _____(name) whose land borders my farm(s) the (N,E,S, and/or W) side(s) is certified organic. I also understand that it is important to his or her business that organic crops and land be protected from contact with certain substances—such as synthetic fertilizers, herbicides, insecticides, fungi- cides, other pesticides and genetically modified organisms—that are not allowed in organic farming. Buffer zones are required to be sufficient to prevent contamination.

The following statements in this affidavit will help the organic certifier determine what type of buffer the organic farmer named above needs to maintain. Please check all that are true.

☐ I am an organic farmer, with current certification by _____(name of certifier) (or exempt from certification due to sales).

OR

☐☐The materials I routinely use on my farm include the following:
☐☐synthetic fertilizers
☐☐herbicides
☐☐insecticides
☐☐fungicides
☐☐treated wood
☐☐other (specify)
☐☐I do not use any of the above materials on my farm

☐ I use the materials checked above, but not on the fields adjoining my neighbor's property.

☐ The distance between where I use the materials checked above and my organic neighbor's property is _feet.

☐☐I agree to notify my organic neighbor when I plan to use these materials on adjacent

land. Signature of neighbor Date

Farm Name
Address
Phone number

Master Farmer's Listing as of February 2, 2020

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
152		[redacted]			[redacted]	Tortola	[redacted]			Not Active	
471	2-Jun-20					Tortola			M	Active	
105						Tortola			C	?	N/A
88	20-May-20					Jost Van Dyke			C & L		
316						Tortola			C	Not Active	
247						Tortola			C	?	
90						Tortola			M	Active	
	3-Jul-20					Tortola			C	Active	
125						Tortola			C	Active	
190						Tortola			C	?	N/A
220						Tortola			L	?	
449						Tortola			C	?	
320	11-May-20					Tortola			C		
	30-Sep-20					Jost Van Dyke			C/L		Registration
	30-Sep-20					Jost Van Dyke			C/L		Registration
9	9-Jan-08					Tortola			C	Not Active	N/A
	6-Jul-20					Tortola			C		
232										?	N/A
437						Tortola			M	?	Registered
21	3-Apr-08					Tortola			C	Elderly	Registered
89	23-Mar-20					Tortola			C	?	Registered
355						Virgin Gorda			C	?	
131						Tortola			C	?	N/A
17	19-Mar-08					Tortola			C	?	
16	29-Jan-08					Tortola			C	?	Registered
233						Tortola				?	Registered
272						Tortola			C	?	
478	8-Jun-20					Tortola			L		
497	5-Jun-20									?	
501	19-Jun-20					Virgin Gorda			C	?	
308						Tortola				?	
13	9-Jan-08					Virgin Gorda			L	?	Registered
77						Tortola			C	?	Registered

Master Farmer's Listing as of February 2, 2020

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
23	17-Apr-08	[redacted]			[redacted]	Virgin Gorda	[redacted]		C	?	Registered
70						Anegada			C	?	
8						Tortola			C	?	Registered
5	1-Nov-07					Virgin Gorda			C	?	Registered
485	10-May-20					Tortola			C		
504	24-Jun-20					Tortola			C	?	
376						Tortola			C		
268						Jost Van Dyke				?	N/A
441						Tortola			C	?	
34	24-Mar-09					Tortola			C	?	
	3-Jul-20					Virgin Gorda			M	Active	
463	22-May-20					Virgin Gorda			L	?	
153						Tortola				?	
211						Tortola			C	?	
281						Tortola			C	?	
283						Tortola			C	?	
294						Jost Van Dyke			C	?	
	11/3/2020					Tortola			C		Registered
374						Tortola			C	Active	
161						Tortola			C	Active	N/A
118						Tortola			M	?	
127						Tortola			C	?	N/A
136						Tortola			L	?	N/A
324						Tortola			C	?	N/A
334						Tortola			C	?	N/A
25	13-Nov-08									?	Registered
490	15-Jun-20					Tortola				Active	
147	8-May-20					Tortola			C		
265						Tortola			C	Active	
95	27-Mar-20					Tortola			C	Active	
303											
88	21-Feb-20					Tortola			C		
	30-Jun-20					Virgin Gorda			C	Active	Registered

Master Farmer's Listing as of February 2, 2020

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
249		[redacted]			[redacted]		[redacted]	[redacted]		?	
33	19-Mar-09					Tortola			C	?	N/A
121										?	
280										?	
66	21-May-20					Tortola			C		
184						Jost Van Dyke			L	Active	
189						Tortola			C	?	N/A
480	9-Jun-20					Tortola					
373						Jost Van Dyke			C	Active	
417						Tortola			C	?	N/A
484	9-Jun-20					Tortola			C	Active	
489	15-Jun-20					Jost Van Dyke			L	?	
	12-Aug-20					jost Van Dyke			C	Active	
430						Jost Van Dyke			C	?	
173						Virgin Gorda			C	?	Registered
445						Tortola			C	?	N/A
64						Tortola			C	?	
10	9-Jan-08					Tortola			L	Active	Registered
207						Tortola			M	Active	Registered
352	4-May-20					Tortola			C		
86	17-Feb-20					Tortola			C	Active	
98	14-Apr-20					Tortola			C		
422						Tortola			C	Active	N/A
253	22-Jun-20					Tortola			C/L		
152	11-May-20					Tortola			C		N/A
8	11-Dec-07					Tortola			C	?	Registered
						Tortola			C		Registered
						Tortola			C		
17						Jost Van Dyke			C	?	
71						Jost Van Dyke			L	Active	N/A
106						Jost Van Dyke			C	?	
216						Jost Van Dyke			C	?	N/A
1	6-Jul-07					Jost Van Dyke			C	?	Registered
32	10-Mar-09					Jost Van Dyke			C	?	Registered
491	16-Jun-20					Jost Van Dyke			C	?	
94						Tortola			C	?	
29	29-Jan-09					Tortola			C	?	Registered
486	10-Jun-20								C		

Master Farmer's Listing as of February 2, 2020

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
471	2-Jun-20	[redacted]			[redacted]	Tortola	[redacted]		C		
65						Tortola			C	?	
177						Tortola			C	?	
254						Tortola			C	?	Registered
262						Tortola			L	?	N/A
306						Tortola			C	?	
484	9-Jun-20					Tortola			C & L		
473	2-Jun-20					Tortola			M	Active	
34						Tortola			C	?	
356						Tortola			C	Active	
414						Tortola			L	?	Registered
100						Tortola			M	Active	Registered
498	18-Jun-20					Tortola				?	
230						Tortola			C	?	
26						Tortola				Not Active	
86						Tortola			C	?	
37						Virgin Gorda				?	
38						Virgin Gorda			C	Active	
162						Virgin Gorda			L	?	N/A
287						Virgin Gorda			L	?	
94	24-Mar-20					Virgin Gorda			C		
481	9-Jun-20					Virgin Gorda			L	?	
482	11-Jun-20					Tortola					Registered
371						Virgin Gorda			C	?	
463	22-May-20					Tortola			C		Registered
435						Virgin Gorda			C	?	
						Tortola			C	Active	Registered
191						Virgin Gorda			C	?	N/A
4	17-Sep-07					Tortola			C	?	Registered
	30-Aug-20					Tortola			C	Active	Registered
15						Tortola			M	?	
72						Tortola			M	?	N/A
22	9-Apr-08					Tortola			C	?	
302						Tortola			C	?	
393						Tortola			M	?	
426						Tortola			M	Active	
468	29-May-20					Tortola			C	Not Active	
24	19-Aug-08					Tortola			C	?	Registered
111						Tortola			M	?	
263						Tortola			C	?	

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
319		[redacted]			[redacted]	Tortola	[redacted]		M	?	N/A
358						Tortola			C	?	N/A
359						Tortola			C	?	Registered
429										?	
137						Tortola			C	?	N/A
11	9-Jan-08					Tortola			C	?	Registered
12	9-Jan-08					Virgin Gorda			C	?	Registered
443						Virgin Gorda			C	Active	Registered
335						Tortola				?	Registered
447						North Sound			C & L		Registered
116						Virgin Gorda			C	?	N/A
24	19-Aug-08					Virgin Gorda			C	Active	Registered
91	24-Mar-20					Tortola			C	Active	
35						Tortola			C	Active	
506	27-Jun-20					Tortola			C	Active	
40						Tortola			C	Active	
41						Tortola			C	?	
10	9-Jan-08					Tortola			C	?	Registered
48						Tortola			C	?	
141						Tortola			M	?	N/A
288						Tortola			C	?	N/A
331						Tortola			C	?	Registered
354						Tortola			C	?	N/A
387						Tortola			C	Active	
423						Tortola			C	?	Registered
159						Tortola			C	Active	N/A
148						Tortola			L	Active	Registered
369						Tortola			C		N/A
2	6-Jul-07					Tortola			C	Active	Registered
239						Tortola			C	?	Registered
19	27-Mar-08					Tortola			C	?	
21	3-Apr-08					Tortola			C	?	
	6-Jul-20					Tortola			C		
488	15-Jun-20					Tortola			C		N/A
18	25-Mar-08					Virgin Gorda				?	Registered
273						Tortola			L	Active	N/A
	27-Jun-20					Tortola			C	Active	
87	21-Feb-20					Tortola			M	Active	
59						Tortola			L	Active	
109						Tortola			C		
246						Tortola				?	N/A
274						Tortola			L	Active	N/A

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
276		[redacted]			[redacted]	Tortola	[redacted]		C		
296						Tortola			L	Active	Registered
333						Tortola			C	Active	N/A
386						Tortola			L	?	Registered
400						Tortola			L	Active	N/A
460						Tortola			C		
						Tortola			C	Active	
119						Tortola			C	?	
29	29-Jan-09					Tortola			C	?	
481	9-Jun-20					Tortola					Registered
51						Virgin Gorda			L	?	N/A
261						Tortola			C	?	
298						Tortola			L	Active	
479	8-Jun-20					Tortola			C	?	
486	10-Jun-20					Virgin Gorda				?	
96	9-Apr-20					Anegada			C		
450						Anegada			C	?	N/A
33	19-Mar-09					Anegada			C	Active	
31	5-Mar-09					Anegada			C	Active	
240						Tortola			C	?	
78						Tortola			C	?	
364						Virgin Gorda			C	?	
402						Tortola			C	?	
128										?	
181						Tortola			C	?	Registered
361						Tortola			C	?	Registered
466	28-May-20					Tortola			L		Registered
93	24-Mar-20					Tortola			L		
227						Tortola			M	Active	
366						Tortola			L	?	
	10-Nov-20					Tortola			C		
	1-Jul-20					Tortola			C		
28	27-Jan-09					Tortola			C	?	Registered
345						Tortola			C	?	
90	24-Mar-20					Tortola			C		Registered
53						Virgin Gorda				Active	Registered
472	2-Jun-20					Tortola			C		Registered
266						Tortola			C	?	N/A
341						Tortola			L	Active	
244						Tortola			L	Active	
339						Tortola			C	Active	
388						Tortola			L	Active	

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
483	9-Jun-20	[redacted]			[redacted]	Tortola	[redacted]		C	Active	
	9-Jul-20					Tortola			L	Active	
180	19-Jun-20					Tortola			L		
18						Virgin Gorda				?	
16	29-Jan-08					Virgin Gorda			L	?	Registered
33						Virgin Gorda			C	?	
470	29-May-20					Tortola			C		
97						Virgin Gorda			C	?	
265	8-May-20					Tortola			C		
27	9-Jan-09					Tortola			C	Home	
500	19-jun-20									?	
45						Tortola			C	?	
201	16-May-20					Virgin Gorda					N/A
92	24-Mar-20					Tortola			C		
350						Tortola				Active	N/A
	15-Jul-20					Tortola			C		
289						Tortola			C	?	Registered
487	15-Jun-20					Tortola			C	?	
	30-Jun-20					Tortola			C	?	
221						Tortola			C	Active	
169						Tortola			M	?	
472	2-Jun-20					Tortola			C	Active	
29						Virgin Gorda			C	?	
214	21-May-20					Tortola			C & L		N/A
126						Tortola			C	?	
197						Virgin Gorda			C/L	Active	
251						Tortola			L		
215	21-May-20					Tortola			L		N/A
30	16-Feb-09					Tortola			C		N/A
479	8-Jun-20					Tortola			C/L		N/A
485	10-May-20					Virgin Gorda			L	?	
362						Tortola			C	Active	N/A
237						Tortola			M	Active	
488	15-Jun-20					Jost Van Dyke			C	?	
424						Tortola				Active	
218										?	
122						Tortola			C	?	
163						Tortola				?	N/A
						Tortola			C		

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
60		[redacted]			[redacted]	Tortola	[redacted]		C	?	N/A
323						Tortola			C	?	
469	29-May-20					Tortola			L/C		N/A
9	18-Jun-20					Tortola			C		
21						Tortola				?	Registered
63						Tortola			L	Active	
477	8-Jun-20					Tortola			C/L		
73						Tortola			L	?	Registered
74						Tortola			L	?	
	23-Jun-20					Tortola			C		
151						Tortola			L	?	
464	25-May-20					Tortola			C		
470	29-May-20					Tortola			L	?	
	29-Aug-20					Tortola			C	Active	Registered
215	21-May-20					Tortola			L	Active	
466	28-May-20					Tortola			C		
31						ost Van Dyke			C	?	
18	25-Mar-08					Tortola			C	?	
270						Tortola				?	N/A
155						Tortola			M	Active	N/A
329						Tortola			C	?	N/A
	20-Aug-20					Tortola			C	Active	
468	29-May-20					Tortola					
457						Tortola			M	Active	
83	16-Jan-20					Tortola			C	Active	
321						Tortola			C	?	N/A
112						Tortola			M	?	
113						Tortola			M	?	
	24-Sep-20					Tortola			C		Registered
494	17-Jun-20					Tortola			C		
398						Tortola			C	?	
458	19-Jun-20					Tortola			C		
451						Tortola			L	Active	
79						Tortola			L	Active	
114						Tortola			L	Active	

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
	2-Jul-20	[redacted]			[redacted]	Tortola	[redacted]		L	Active	
311						Tortola			L/C	Active	
	13-Jul-20					Tortola			C		
344						Virgin Gorda				?	Registered
	30-Jun-20					Tortola			M	Active	
133						Tortola			C	Backyard	N/A
332						Tortola			L	Active	
	30-Jun-20					Tortola			C	Active	Registered
8	11-Dec-07					Tortola			C	?	
446						Virgin Gorda			L	?	
32						Virgin Gorda			C	?	
178						Virgin Gorda				?	
108										?	
129						Virgin Gorda			L	?	
228						Virgin Gorda			C	?	
464	25-May-20					Virgin Gorda			L		N/A
236						Cooper Island			L	Active	Registered
7						Tortola			C	?	N/A
476	8-Jun-20					Tortola			C		
55						Tortola			L	Active	Registered
96						Tortola			L	Active	
401						Tortola					N/A
	6-Jul-20					Tortola			C		
	7-Jul-20					Tortola			C		
						Tortola			L		
483	9-Jun-20					Anegada			C		Registered
92						Tortola			L	Active	
502	22-Jun-20					Tortola				?	
495	17-Jun-20					Tortola			C		Registered
61						Tortola			C	?	N/A
179						Tortola			C		
325						Tortola			M	Active	
241						Virgin Gorda			C	?	
243						Virgin Gorda			C	Active	Registered
380										?	Registered
46	13-Feb-20					Tortola			M	Active	Registered
93						Tortola			C	Active	N/A
493	17-Jun-20					Tortola			C		
290						Virgin Gorda			L	Active	
15	29-Jan-08					Virgin Gorda			C	Active	Registered
						Virgin Gorda			C	Active	Registered
385						Tortola			C	?	
363	28-May-20					Tortola			L		

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
475	3-Jun-20	[redacted]			[redacted]	Tortola	[redacted]		C/L		
480	9-Jun-20					Tortola			L	Active	
						Tortola			L	Active	
	10-Jul-20					Tortola			C		
166						Anegada			C	Active	
267						Jost Van Dyke			C	Active	
282						Tortola			M	Active	N/A
62						Virgin Gorda			C	?	
107						Tortola				?	
201	16-May-23					Tortola			L	?	
328						Tortola			C	Active	N/A
42						Tortola			L	?	
439						Tortola			C	?	N/A
104						Tortola			M	?	
326						Virgin Gorda			L	?	Registered
144						Tortola			L	?	N/A
83						Tortola			C	?	
167						Tortola			C	Active	
15	29-Jan-08					Tortola			C	?	Registered
503	23-Jun-20					Tortola			L	?	
413	23-Jun-20					Tortola			C	Active	
217						Tortola			M	?	N/A
353						Tortola			C	Active	Registered
	10-Jul-20					Tortola			C		
212						Tortola			M	?	Registered
397						Tortola				?	N/A
84	7-Feb-20					Tortola			C	?	
						Tortola					
491	16-Jun-20					Tortola			C/L		
25						Tortola			C	?	
202						Tortola			C	?	N/A
229						Virgin Gorda			C	?	
411						Virgin Gorda			C	?	
419						Virgin Gorda			C	?	
						West End			C		Registered
67	17-Jun-20					Tortola			C		
496						Tortola				?	
9	9-Jan-08					Virgin Gorda			L	?	Registered
269						Tortola			C	?	
146						Tortola			M	?	N/A
433						Tortola				?	
32	10-Mar-09					Tortola			L	?	
47						Tortola				?	

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
357		[redacted]			[redacted]	Tortola	[redacted]		M	Active	
5						Tortola			C	Active	
84						Tortola			C	?	
316	7-May-20					Tortola			C		N/A
403						Tortola			M	?	
462						Tortola			L	?	
415	8-May-20					Tortola			C		
23	17-Apr-08					Tortola			M	?	
494	17-Jun-20					Tortola			C		
505	30-Jun-20					Tortola			C	?	
	3-Nov-20					Tortola			C		
	7-Jul-20					Tortola			C		
154	1-Jul-20					Tortola			C	Active	
476	8-Jun-20					Tortola			C	?	
206						Tortola			C	?	N/A
147	7-May-20					Tortola			C		Registered
	6-Nov-20					Tortola			C		Registered
	23-Jun-20					Tortola			C		
58						Tortola			M	Active	
34	24-Mar-09					Tortola			C		Registered
49						Tortola			M	Active	
50						Tortola			C	Active	
205						Tortola			C	?	
4	20-May-20					Tortola			C	Active	
6						Jost Van Dyke			C	?	
168						Tortola			M	?	
421						Tortola			C	?	
	28-Aug-20			[redacted]		Tortola			L	Active	
130						Tortola			C	Active	
310						Tortola			L	Active	N/A
345	6-May-20					Tortola			M		Registered
438						Tortola			M	Active	
440						Tortola			C	?	N/A
314						Tortola			L	?	

Master Farmer's Listing as of February 2, 2020

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
		[redacted]			[redacted]	Tortola	[redacted]		L	Active	
	11-May-20					Tortola			C		
186						Tortola			L	Active	Registered
20	28-Mar-08					Tortola				Active	Registered
492	15-Jun-20					Tortola			L	Active	
260											N/A
255						Tortola				?	
10						Tortola			L	?	Registered
315						Tortola			C	?	
	4-May-20					Tortola			C		
223						Tortola				Active	
	23-Jun-20					Tortola			C		
382						Virgin Gorda				?	
259						Tortola			C	?	N/A
85						Virgin Gorda			C	?	Registered
87											
453						Tortola			L & C		
156	18-Jun-20					Tortola			C	Active	Registered
183						Tortola			C	?	
235						Virgin Gorda			C	?	
473	2-Jun-20					Tortola			C/L		
343						Tortola			L	?	
320						Tortola			C	Active	
277						Virgin Gorda			M	?	N/A
75						Tortola			C	Active	N/A
16						Tortola			C	Active	Registered
110						Tortola			C	?	
365						Tortola			C	Active	
381						Virgin Gorda				?	
312						Tortola			C	?	
80						Tortola			C/L		
195						Tortola			M	Active	
27	9-Jan-09					Tortola			C	?	Registered
346						Tortola				Active	N/A
101						Tortola			C	?	
145						Virgin Gorda			C	?	N/A
6	7-Nov-07					Tortola			L	Active	
76						Tortola			C	?	
						Tortola			C	Active	

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
3		[redacted]			[redacted]	Tortola	[redacted]		M	?	
372						Tortola				?	Registered
389						Virgin Gorda			M	?	
7	3-Dec-07					Tortola			C	?	N/A
188						Tortola			C	Active	
285										?	
475	3-Jun-20					Tortola			L	?	
	14-Jul-20					Tortola			C		
54						Tortola			C	?	Registered
82						Tortola			C/L		
30	16-Feb-09					Tortola			C	?	Registered
256						Tortola			C	Backyard	
264						Tortola			L	?	Registered
490	15-Jun-20					Tortola			& L		N/A
327						Tortola			C	?	Registered
20	28-Mar-08					Tortola			M	?	
399						Tortola			M	?	N/A
409						Anegada			M	?	Registered
460						Tortola			C	Active	
461						Tortola			C	?	N/A
	30-Jun-20					Tortola			C		
	8-Jul-20					Anegada			C		
176						Virgin Gorda			C	?	
492	15-Jun-20					Tortola			C		
375						Virgin Gorda			C	?	
196						Anegada			M	Active	
455						Tortola			C	?	
23						Virgin Gorda			C	?	
24						Virgin Gorda			C	Active	
89											
129	11-May-20					Virgin Gorda			M		
410						Virgin Gorda			L	?	Registered
482	11-Jun-20					Virgin Gorda			C	?	
214	21-May-20					Tortola			L	Active	
284						Tortola			L	Active	
25	13-Nov-08					Tortola			C	?	N/A

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
26	13-Nov-08	[redacted]			[redacted]		[redacted]			?	N/A
434						Tortola			C	?	
157						Tortola			C	?	
340						Tortola			C	Active	Registered
279										?	
	29-Aug-20					Tortola			C	Active	Registered
14	10-Jan-08					Tortola			C	?	Registered
465	27-May-20					Tortola			C		Registered
13	9-Jan-08					Tortola			C	?	N/A
28	27-Jan-09					Tortola			C	?	Registered
204						Tortola			M	?	
210						Tortola			C	?	
489	15-Jun-20					Tortola			L		
474	3-Jun-20					Tortola			C/L		
292										?	N/A
300						Tortola			L	Active	
390						Tortola			L	Active	N/A
						Tortola			L	Active	Registered
469	29-May-20					Tortola			C	?	
370						Tortola				?	
56						Tortola				Active	
175						Tortola			C	?	
193						Tortola			C	?	N/A
	14-Jul-20					Tortola			C		
337						Tortola			C	?	
293						Tortola			C	?	Registered
	10-Jul-20					Tortola					
7	3-Dec-07					Tortola			C		Registered
30						Tortola				?	
487	15-Jun-20					Tortola			L		
174						Tortola			C	?	Registered
194						Tortola			M	?	

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L; Crop - C ; Mixed - M	Status	Registration Status
322		[redacted]			[redacted]	Tortola	[redacted]		C	Active	N/A
351						Tortola			C	Active	
392						Tortola			C	?	N/A
27											
28						Virgin Gorda			C	Active	
81						Anegada			C	?	
22	5-Jun-20					Anegada			L		Registered
203						Tortola			C	Active	
231						Anegada			M	Active	
32	10-Mar-09					Anegada			L	?	
309						Anegada				?	Registered
415						Virgin Gorda			M	?	
416						Virgin Gorda			C	Active	N/A
428						Tortola			C	?	
456						Anegada			C	?	Registered
	2-Jul-20					Anegada			C	Active	
	2-Jul-20					Anegada			C		
97	9-Apr-20					Tortola			C		
	15-Oct-20					Tortola			C		
102						Anegada			C	?	
404						Tortola				?	
95						Tortola			C	?	N/A
477	8-Jun-20					Virgin Gorda			C	?	
436						Tortola			C	?	
200						Virgin Gorda			C	Active	
305						Virgin Gorda			L	?	
367						Tortola			C	Active	
98						Virgin Gorda			M	Active	
12	9-Jan-08					Tortola			C	Not Active	
347						Tortola			C	?	
474	3-Jun-20					Anegada			C	?	
32	10-Mar-09					Anegada			L	?	
158										?	N/A

Master Farmer's Listing as of February 2, 2020

No.	Registration Date	First	Surname	Employee(s)	Address	Island	Farm Location	Telephone	Livestock - L ; Crop - C ; Mixed - M	Status	Registration Status
187		[redacted]			[redacted]	Jost Van Dyke	[redacted]		M	?	N/A
14	10-Jan-08					Anegada			L	?	Registered
245						Tortola				Active	N/A
135						Tortola			M	?	N/A
31	5-Mar-09					Tortola				?	Registered
242						Virgin Gorda			C	?	
13						Virgin Gorda			L	?	
91						Tortola			C	?	N/A
238									C	?	N/A
192						Tortola			C	?	N/A
134						Virgin Gorda				?	N/A
139						Virgin Gorda			L	?	
140						Virgin Gorda			C	Active	
378						Virgin Gorda			C	?	Registered
459						Tortola					
						Tortola					
						Tortola					

Master List of Licenced Fishers as of September 17, 2020

[redacted]	DESIGNATION	[redacted]	[redacted]	DATE OF ISSUE	DATE OF EXPIRATION	[redacted]	ISLAND
[redacted]	MASTER/OWNER	[redacted]	[redacted]	September 25, 2020	September 25, 2021	August 26, 2021	Anegada
	CREW			September 25, 2020	September 25, 2021	August 26, 2021	Anegada
	MASTER/OWNER			October 22, 2019	October 21, 2020	September 21, 2020	Anegada
	MASTER/OWNER			April 24, 2019	April 23, 2020	March 24, 2020	Anegada
	MASTER/OWNER			June 16, 2020	June 16, 2021	May 17, 2021	Anegada
	MASTER/OWNER			October 22, 2019	October 21, 2020	September 21, 2020	Anegada
	MASTER/OWNER			August 31, 2020	August 31, 2021	August 01, 2021	Anegada
	MASTER/OWNER			August 31, 2020	August 31, 2021	August 01, 2021	Anegada
	CREW			August 31, 2020	August 31, 2021	August 01, 2021	Anegada
	CREW			August 31, 2020	August 31, 2021	August 01, 2021	Anegada
	MASTER/OWNER			January 15, 2019	January 15, 2020	December 16, 2019	Anegada
	CREW			January 15, 2019	January 15, 2020	December 16, 2019	Anegada
	MASTER/OWNER			September 07, 2020	September 07, 2021	August 08, 2021	Anegada
	CREW			September 07, 2020	September 07, 2021	August 08, 2021	Anegada
	MASTER/OWNER			June 08, 2020	June 08, 2021	May 09, 2021	Anegada
	CREW			June 08, 2020	June 08, 2021	May 09, 2021	Anegada
	MASTER/OWNER			September 11, 2020	September 11, 2021	August 12, 2021	Anegada
	MASTER/OWNER			June 24, 2020	June 24, 2021	May 25, 2021	Anegada
	MASTER/OWNER			March 16, 2020	March 16, 2021	February 14, 2021	Anegada
	CREW			March 16, 2020	March 16, 2021	February 14, 2021	Anegada
	MASTER/OWNER			June 08, 2020	June 08, 2021	May 09, 2021	Anegada
	MASTER/OWNER			May 25, 2020	May 25, 2021	April 25, 2021	Anegada
	MASTER/OWNER			July 17, 2020	July 17, 2021	June 17, 2021	Anegada
	MASTER/OWNER			May 27, 2020	May 27, 2021	April 27, 2021	Anegada
	MASTER/OWNER			July 06, 2020	July 06, 2021	June 06, 2021	Anegada
	MASTER/OWNER			May 18, 2020	May 18, 2021	April 18, 2021	Jost Van Dyke
	MASTER/OWNER			May 18, 2020	May 18, 2021	April 18, 2021	Jost Van Dyke
	CREW			May 18, 2020	May 18, 2021	April 18, 2021	Jost Van Dyke
	CREW			May 18, 2020	May 18, 2021	April 18, 2021	Jost Van Dyke
	MASTER/OWNER			September 06, 2019	September 05, 2020	August 06, 2020	Jost Van Dyke
	MASTER/OWNER			June 30, 2020	June 30, 2021	May 31, 2021	Jost Van Dyke
	CREW			June 30, 2020	June 30, 2021	May 31, 2021	Jost Van Dyke
	CREW			June 30, 2020	June 30, 2021	May 31, 2021	Jost Van Dyke
	MASTER/OWNER			May 11, 2020	May 11, 2021	April 11, 2021	Jost Van Dyke
	CREW			May 11, 2020	May 11, 2021	April 11, 2021	Jost Van Dyke

Master List of Licenced Fishers as of September 17, 2020

[redacted]		[redacted]	[redacted]				
[redacted]	CREW	[redacted]		May 11, 2020	May 11, 2021	April 11, 2021	Jost Van Dyke
	CREW			May 11, 2020	May 11, 2021	April 11, 2021	Jost Van Dyke
	MASTER/OWNER			January 27, 2020	January 26, 2021	December 27, 2020	Tortola
	CREW			January 27, 2020	January 26, 2021	December 27, 2020	Tortola
	CREW			January 27, 2020	January 26, 2021	December 27, 2020	Tortola
	CREW			January 27, 2020	January 26, 2021	December 27, 2020	Tortola
	MASTER/OWNER			September 09, 2020	September 09, 2021	August 10, 2021	Tortola
	CREW			September 09, 2020	September 09, 2021	August 10, 2021	Tortola
	CREW			September 09, 2020	September 09, 2021	August 10, 2021	Tortola
	CREW			September 09, 2020	September 09, 2021	August 10, 2021	Tortola
	MASTER/OWNER			August 14, 2019	August 13, 2020	July 14, 2020	Tortola
	CREW			August 14, 2019	August 13, 2020	July 14, 2020	Tortola
	MASTER/OWNER			May 07, 2020	May 07, 2021	April 07, 2021	Tortola
	CREW			May 07, 2020	May 07, 2021	April 07, 2021	Tortola
	CREW			May 07, 2020	May 07, 2021	April 07, 2021	Tortola
	MASTER/OWNER			May 27, 2020	May 27, 2021	April 27, 2021	Tortola
	CREW			May 27, 2020	May 27, 2021	April 27, 2021	Tortola
	MASTER/OWNER			March 05, 2020	March 05, 2021	February 03, 2021	Tortola
	CREW			March 05, 2020	March 05, 2021	February 03, 2021	Tortola
	CREW			March 05, 2020	March 05, 2021	February 03, 2021	Tortola
	CREW			March 05, 2020	March 05, 2021	February 03, 2021	Tortola
	CREW			March 05, 2020	March 05, 2021	February 03, 2021	Tortola
	MASTER/OWNER			June 23, 2020	June 23, 2021	May 24, 2021	Tortola
	CREW			June 23, 2020	June 23, 2021	May 24, 2021	Tortola
	CREW			June 23, 2020	June 23, 2021	May 24, 2021	Tortola
	MASTER/OWNER			May 21, 2020	May 21, 2021	April 21, 2021	Tortola
	CREW			May 21, 2020	May 21, 2021	April 21, 2021	Tortola
	MASTER/OWNER			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	CREW			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	MASTER/OWNER			July 13, 2020	July 13, 2021	June 13, 2021	Tortola
	CREW			July 13, 2020	July 13, 2021	June 13, 2021	Tortola
	MASTER/OWNER			July 13, 2020	July 13, 2021	June 13, 2021	Tortola
	CREW			July 13, 2020	July 13, 2021	June 13, 2021	Tortola
	CREW			July 13, 2020	July 13, 2021	June 13, 2021	Tortola
	CREW			July 13, 2020	July 13, 2021	June 13, 2021	Tortola

Master List of Licenced Fishers as of September 17, 2020

NAMES	DESIGNATION	NAME OF VESSEL	PHONE NUMBER	COMMERCIAL FISHING LICENCE DATE OF ISSUE	DATE OF EXPIRATION	RENEWAL REMINDER	ISLAND
[redacted]	MASTER/OWNER	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	May 15, 2020	May 15, 2021	April 15, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	June 05, 2020	June 05, 2021	May 06, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 09, 2020	June 05, 2021	May 06, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 09, 2020	June 05, 2021	May 06, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	June 08, 2020	June 08, 2021	May 09, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	June 08, 2020	June 08, 2021	May 09, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	June 08, 2020	June 08, 2021	May 09, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	June 08, 2020	June 08, 2021	May 09, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	June 24, 2020	June 24, 2021	May 25, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	June 24, 2020	June 24, 2021	May 25, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	June 24, 2020	June 24, 2021	May 25, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	June 24, 2020	June 24, 2021	May 25, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	July 16, 2020	July 16, 2021	June 16, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	July 16, 2020	July 16, 2021	June 16, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	July 16, 2020	July 16, 2021	June 16, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	July 16, 2020	July 16, 2021	June 16, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	May 07, 2020	May 07, 2021	April 07, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	May 07, 2020	May 07, 2021	April 07, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	May 07, 2020	May 07, 2021	April 07, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	October 05, 2020	May 07, 2021	April 07, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	May 15, 2020	May 15, 2021	April 15, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	May 15, 2020	May 15, 2021	April 15, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	May 15, 2020	May 15, 2021	April 15, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	May 15, 2020	May 15, 2021	April 15, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	January 27, 2020	January 26, 2021	December 27, 2020	Tortola
[redacted]	CREW	[redacted]	[redacted]	January 27, 2020	January 26, 2021	December 27, 2020	Tortola
[redacted]	CREW	[redacted]	[redacted]	January 27, 2020	January 26, 2021	December 27, 2020	Tortola
[redacted]	CREW	[redacted]	[redacted]	January 27, 2020	January 26, 2021	December 27, 2020	Tortola
[redacted]	CREW	[redacted]	[redacted]	January 27, 2020	January 26, 2021	December 27, 2020	Tortola

Master List of Licencec Fishers as of September 17, 2020

NAMES	DESIGNATION	NAME OF MESES	% CMF OWNING	COMMERCIAL FISHING OR FINS		RENEWAL	
				DATE OF ISSUE	DATE OF EXPIRATION	REMINDER	GUARD
[redacted]	MASTER/OWNER	[redacted]		June 08, 2020	June 08, 2021	May 09, 2021	Tortola
	CREW			June 08, 2020	June 08, 2021	May 09, 2021	Tortola
	CREW			June 08, 2020	June 08, 2021	May 09, 2021	Tortola
	CREW			June 08, 2020	June 08, 2021	May 09, 2021	Tortola
	CREW			June 08, 2020	June 08, 2021	May 09, 2021	Tortola
	MASTER/OWNER			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	CREW			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	CREW			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	CREW			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	MASTER/OWNER			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	CREW			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	CREW			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	CREW			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	MASTER/OWNER			June 24, 2020	June 24, 2021	May 25, 2021	Tortola
	MASTER/OWNER			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	CREW			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	MASTER/OWNER			May 21, 2020	May 21, 2021	April 21, 2021	Tortola
	CREW			May 21, 2020	May 21, 2021	April 21, 2021	Tortola
	CREW			May 21, 2020	May 21, 2021	April 21, 2021	Tortola
	CREW			May 21, 2020	May 21, 2021	April 21, 2021	Tortola
	CREW			May 21, 2020	May 21, 2021	April 21, 2021	Tortola
	CREW			May 21, 2020	May 21, 2021	April 21, 2021	Tortola
	MASTER/OWNER			June 26, 2020	June 26, 2021	May 27, 2021	Tortola
	CREW			June 26, 2020	June 26, 2021	May 27, 2021	Tortola
	CREW			June 26, 2020	June 26, 2021	May 27, 2021	Tortola
	MASTER/OWNER			May 06, 2020	May 06, 2021	April 06, 2021	Tortola
	CREW			May 06, 2020	May 06, 2021	April 06, 2021	Tortola
	CREW			May 06, 2020	May 06, 2021	April 06, 2021	Tortola
	MASTER/OWNER			May 26, 2020	May 26, 2021	April 26, 2021	Tortola
	MASTER/OWNER			May 26, 2020	May 26, 2021	April 26, 2021	Tortola
	CREW			May 26, 2020	May 26, 2021	April 26, 2021	Tortola
	CREW			May 26, 2020	May 26, 2021	April 26, 2021	Tortola
	MASTER/OWNER			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	CREW			May 15, 2020	May 15, 2021	April 15, 2021	Tortola
	CREW			May 15, 2020	May 15, 2021	April 15, 2021	Tortola

Master List of Licenced Fishers as of September 17, 2020

NAMES	DESIGNATION	NAME OF VESSEL	PHONE NUMBER	COMMERCIAL FISHING LICENCE DATE OF ISSUE	COMMERCIAL FISHING LICENCE DATE OF EXPIRATION	RENEWAL REMINDER	ISLAND
[redacted]	CREW	[redacted]	[redacted]	May 15, 2020	May 15, 2021	April 15, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	June 26, 2020	June 26, 2021	May 27, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	June 26, 2020	June 26, 2021	May 27, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	June 26, 2020	June 26, 2021	May 27, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	June 26, 2020	June 26, 2021	May 27, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	June 26, 2020	June 26, 2021	May 27, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	May 16, 2020	May 16, 2021	April 16, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	May 16, 2020	May 16, 2021	April 16, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 15, 2020	September 15, 2021	August 16, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	June 24, 2020	June 24, 2021	May 25, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	August 29, 2020	June 24, 2021	May 25, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	May 28, 2020	May 28, 2021	April 28, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	May 14, 2020	May 14, 2021	April 14, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	May 14, 2020	May 14, 2021	April 14, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	May 14, 2020	May 14, 2021	April 14, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	January 27, 2020	January 26, 2021	December 27, 2020	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 07, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 07, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 07, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	June 08, 2020	June 08, 2021	May 09, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	June 08, 2020	June 08, 2021	May 09, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	January 27, 2020	January 26, 2021	December 27, 2020	Tortola
[redacted]	CREW	[redacted]	[redacted]	January 27, 2020	January 26, 2021	December 27, 2020	Tortola
[redacted]	CREW	[redacted]	[redacted]	January 27, 2020	January 26, 2021	December 27, 2020	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	January 07, 2020	January 06, 2021	December 07, 2020	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	June 26, 2020	June 26, 2021	May 27, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	June 16, 2020	June 16, 2021	May 17, 2021	Tortola

Master List of Licenced Fishers as of September 17, 2020

[redacted]		CREW	[redacted]	June 16, 2020	June 16, 2021	May 17, 2021	Tortola
		MASTER/OWNER		May 07, 2020	May 07, 2021	April 07, 2021	Tortola
		MASTER/OWNER		May 16, 2020	May 16, 2021	April 16, 2021	Tortola
		MASTER/OWNER		January 27, 2020	January 26, 2021	December 27, 2020	Tortola
		CREW		January 27, 2020	January 26, 2021	December 27, 2020	Tortola
		CREW		January 27, 2020	January 26, 2021	December 27, 2020	Tortola
		CREW		January 27, 2020	January 26, 2021	December 27, 2020	Tortola
		CREW		January 27, 2020	January 26, 2021	December 27, 2020	Tortola
		MASTER/OWNER		June 08, 2020	June 08, 2021	May 09, 2021	Tortola
		CREW		June 08, 2020	June 08, 2021	May 09, 2021	Tortola
		CREW		June 08, 2020	June 08, 2021	May 09, 2021	Tortola
		CREW		June 08, 2020	June 08, 2021	May 09, 2021	Tortola
		MASTER/OWNER		June 29, 2020	June 29, 2021	May 30, 2021	Tortola
		CREW		June 29, 2020	June 29, 2021	May 30, 2021	Tortola
		CREW		June 29, 2020	June 29, 2021	May 30, 2021	Tortola
		CREW		June 29, 2020	June 29, 2021	May 30, 2021	Tortola
		CREW		July 16, 2020	July 16, 2021	June 16, 2021	Tortola
		MASTER/OWNER		July 16, 2020	July 16, 2021	June 16, 2021	Tortola
		MASTER/OWNER		July 16, 2020	July 16, 2021	June 16, 2021	Tortola
		CREW		July 16, 2020	July 16, 2021	June 16, 2021	Tortola
		CREW		July 16, 2020	July 16, 2021	June 16, 2021	Tortola
		CREW		July 16, 2020	July 16, 2021	June 16, 2021	Tortola
		MASTER/OWNER		May 11, 2020	May 11, 2021	April 11, 2021	Tortola
		CREW		May 11, 2020	May 11, 2021	April 11, 2021	Tortola
		MASTER/OWNER		October 22, 2019	October 21, 2020	September 21, 2020	Tortola
		MASTER/OWNER		June 08, 2020	June 08, 2021	May 09, 2021	Tortola
		CREW		June 08, 2020	June 08, 2021	May 09, 2021	Tortola
		CREW		June 08, 2020	June 08, 2021	May 09, 2021	Tortola
		MASTER/OWNER		May 18, 2020	May 18, 2021	April 18, 2021	Tortola
		CREW		May 18, 2020	May 18, 2021	April 18, 2021	Tortola
		CREW		May 18, 2020	May 18, 2021	April 18, 2021	Tortola
		CREW		May 18, 2020	May 18, 2021	April 18, 2021	Tortola
		MASTER/OWNER		September 09, 2020	September 09, 2021	August 10, 2021	Tortola
		CREW		September 09, 2020	September 09, 2021	August 10, 2021	Tortola
		CREW		September 09, 2020	September 09, 2021	August 10, 2021	Tortola

Master List of Licenced Fishers as of September 17, 2020

NAMES	DESIGNATION	NAME OF VESSEL	PHONE NUMBER	COMMERCIAL FISHING LICENCE DATE OF ISSUE	COMMERCIAL FISHING LICENCE DATE OF EXPIRATION	FISHERIES STRANDER	ISLAND
[redacted]	MASTER/OWNER	[redacted]	[redacted]	September 06, 2019	September 05, 2020	August 06, 2020	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	September 24, 2020	September 24, 2021	August 25, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 24, 2020	September 24, 2021	August 25, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	November 12, 2019	November 11, 2020	October 12, 2020	Tortola
[redacted]	CREW	[redacted]	[redacted]	November 12, 2019	November 11, 2020	October 12, 2020	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	September 18, 2020	September 18, 2021	August 19, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 18, 2020	September 18, 2021	August 19, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 18, 2020	September 18, 2021	August 19, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 18, 2020	September 18, 2021	August 19, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 18, 2020	September 18, 2021	August 19, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	September 18, 2020	September 18, 2021	August 19, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 18, 2020	September 18, 2021	August 19, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 18, 2020	September 18, 2021	August 19, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 18, 2020	September 18, 2021	August 19, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 18, 2020	September 18, 2021	August 19, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	January 04, 2019	January 04, 2020	December 05, 2019	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	September 07, 2020	September 07, 2021	August 08, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 07, 2020	September 07, 2021	August 08, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 07, 2020	September 07, 2021	August 08, 2021	Tortola
[redacted]	CREW	[redacted]	[redacted]	September 06, 2020	September 06, 2021	August 07, 2021	Tortola
[redacted]	MASTER/OWNER	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Virgin Gorda
[redacted]	CREW	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Virgin Gorda
[redacted]	CREW	[redacted]	[redacted]	July 13, 2020	July 13, 2021	June 13, 2021	Virgin Gorda
[redacted]	MASTER/OWNER	[redacted]	[redacted]	May 15, 2020	May 15, 2021	April 15, 2021	Virgin Gorda
[redacted]	MASTER/OWNER	[redacted]	[redacted]	May 15, 2020	May 15, 2021	April 15, 2021	Virgin Gorda
[redacted]	CREW	[redacted]	[redacted]	May 15, 2020	May 15, 2021	April 15, 2021	Virgin Gorda
[redacted]	CREW	[redacted]	[redacted]	May 15, 2020	May 15, 2021	April 15, 2021	Virgin Gorda
[redacted]	MASTER/OWNER	[redacted]	[redacted]	June 08, 2020	June 08, 2021	May 09, 2021	Virgin Gorda
[redacted]	CREW	[redacted]	[redacted]	October 05, 2020	June 08, 2021	May 09, 2021	Virgin Gorda
[redacted]	CREW	[redacted]	[redacted]	October 05, 2020	June 08, 2021	May 09, 2021	Virgin Gorda
[redacted]	MASTER/OWNER	[redacted]	[redacted]	June 08, 2020	June 08, 2021	May 09, 2021	Virgin Gorda
[redacted]	CREW	[redacted]	[redacted]	June 08, 2020	June 08, 2021	May 09, 2021	Virgin Gorda
[redacted]	CREW	[redacted]	[redacted]	June 08, 2020	June 08, 2021	May 09, 2021	Virgin Gorda
[redacted]	MASTER/OWNER	[redacted]	[redacted]	May 21, 2020	May 21, 2021	April 21, 2021	Virgin Gorda
[redacted]	MASTER/OWNER	[redacted]	[redacted]	May 15, 2020	May 15, 2021	April 15, 2021	Virgin Gorda

Master List of Licenced Fishers as of September 17, 2020

[redacted]		[redacted]	[redacted]				
[redacted]	CREW	[redacted]		May 15, 2020	May 15, 2021	April 15, 2021	Virgin Gorda
	CREW			May 15, 2020	May 15, 2021	April 15, 2021	Virgin Gorda
	MASTER/OWNER			May 16, 2020	May 16, 2021	April 16, 2021	Virgin Gorda
	MASTER/OWNER			May 07, 2020	May 07, 2021	April 07, 2021	Virgin Gorda
	MASTER/OWNER			May 07, 2020	May 07, 2021	April 07, 2021	Virgin Gorda
	MASTER/OWNER			May 07, 2020	May 07, 2021	April 07, 2021	Virgin Gorda
	MASTER/OWNER			May 07, 2020	May 07, 2021	April 07, 2021	Virgin Gorda
	CREW			May 07, 2020	May 07, 2021	April 07, 2021	Virgin Gorda
	CREW			May 07, 2020	May 07, 2021	April 07, 2021	Virgin Gorda
	MASTER/OWNER			October 24, 2019	October 23, 2020	September 23, 2020	Virgin Gorda
	MASTER/OWNER			September 03, 2020	September 03, 2021	August 04, 2021	Tortola
	CREW			September 03, 2020	September 03, 2021	August 04, 2021	Tortola
	CREW			September 03, 2020	September 03, 2021	August 04, 2021	Tortola
	MASTER/OWNER		8	September 04, 2020	September 04, 2021	August 05, 2021	TORTOLA
	CREW			September 04, 2020	September 04, 2021	August 05, 2021	TORTOLA
	MASTER/OWNER			September 07, 2020	September 07, 2021	August 08, 2021	TORTOLA
	CREW			September 07, 2020	September 07, 2021	August 08, 2021	TORTOLA
	CREW			September 07, 2020	September 07, 2021	August 08, 2021	TORTOLA
	MASTER/OWNER			August 19, 2020	August 19, 2021	July 20, 2021	TORTOLA
	CREW			August 19, 2020	August 19, 2021	July 20, 2021	Tortola
	CREW			August 19, 2020	August 19, 2021	July 20, 2021	Tortola
	MASTER/OWNER			September 07, 2020	September 07, 2021	August 08, 2021	TORTOLA
	MASTER/OWNER			September 07, 2020	September 07, 2021	August 08, 2021	TORTOLA
	CREW			September 07, 2020	September 07, 2021	August 08, 2021	TORTOLA
	CREW			September 07, 2020	September 07, 2021	August 08, 2021	TORTOLA
	MASTER/OWNER			September 08, 2020	September 08, 2021	August 09, 2021	TORTOLA
	CREW			September 08, 2020	September 08, 2021	August 09, 2021	TORTOLA
	CREW			September 08, 2020	September 08, 2021	August 09, 2021	TORTOLA
	MASTER/OWNER			September 24, 2020	September 24, 2021	August 25, 2021	TORTOLA
	MASTER/OWNER			September 21, 2020	September 21, 2021	August 22, 2021	Tortola
	CREW			September 21, 2020	September 21, 2021	August 22, 2021	Tortola
	CREW			September 21, 2020	September 21, 2021	August 22, 2021	Tortola
	CREW			September 21, 2020	September 21, 2021	August 22, 2021	Tortola
	MASTER/OWNER			September 08, 2020	September 08, 2021	August 09, 2021	Tortola
	CREW			September 08, 2020	September 08, 2021	August 09, 2021	Tortola

Master List of Licenced Fishers as of September 17, 2020

NAMES	DESIGNATION	NAME OF VESSEL	PHOTO NUMBER	COMMERCIAL FISHING LICENCE		FISHING ENDORSEMENT	ISLAND
				DATE OF ISSUE	DATE OF EXPIRATION		
[redacted]	CREW	[redacted]		September 08, 2020	September 08, 2021	August 09, 2021	Tortola
	MASTER/OWNER			September 10, 2020	September 10, 2021	August 11, 2021	Tortola
	CREW			September 10, 2020	September 10, 2021	August 11, 2021	Tortola
	CREW			September 10, 2020	September 10, 2021	August 11, 2021	Tortola
	CREW			September 10, 2020	September 10, 2021	August 11, 2021	Tortola
	MASTER/OWNER			September 17, 2020	September 17, 2021	August 18, 2021	Tortola
	CREW			September 17, 2020	September 17, 2021	August 18, 2021	Tortola
	CREW			September 17, 2020	September 17, 2021	August 18, 2021	Tortola
	CREW			September 17, 2020	September 17, 2021	August 18, 2021	Tortola
	CREW			October 05, 2020	September 17, 2021	August 18, 2021	Tortola
	CREW			October 05, 2020	September 17, 2021	August 18, 2021	Tortola
	MASTER/OWNER			September 23, 2020	September 23, 2021	August 24, 2021	Virgin Gorda
	CREW			September 23, 2020	September 23, 2021	August 24, 2021	Virgin Gorda
	CREW			September 23, 2020	September 23, 2021	August 24, 2021	Virgin Gorda
	MASTER/OWNER			September 21, 2020	September 21, 2021	August 22, 2021	Tortola
	MASTER/OWNER			October 07, 2020	October 07, 2021	September 07, 2021	Tortola
	CREW			October 07, 2020	October 07, 2021	September 07, 2021	Tortola
	CREW			October 07, 2020	October 07, 2021	September 07, 2021	Tortola
	MASTER/OWNER			September 15, 2020	September 15, 2021	August 16, 2021	Tortola
	CREW			September 15, 2020	September 15, 2021	August 16, 2021	Tortola
	MASTER/OWNER			September 21, 2020	September 21, 2021	August 22, 2021	Tortola
	CREW			September 21, 2020	September 21, 2021	August 22, 2021	Tortola

Government of the Virgin Islands

Premier's Office

Preliminary Report on the Expenditure of COVID-19 Stimulus Funds by the Premier's Office

July 2020 - May, 2021



28 June, 2021

Government of the Virgin Islands
Premier's Office

Preliminary Report on the Expenditure of COVID-19 Stimulus Funds by the Premier's Office

July 2020 - May 2021

28 June, 2021

Premier's Office, 2nd Floor Cutlass Building, Road Town, Tortola, British Virgin Islands.

Email: [redacted] Telephone: 1(284) 468-2152 Fax: 1(284) 468-3294

Purpose of Report

The purpose of this report is to provide a preliminary account for the funds disbursed under the supervision of the Premier's Office with regard to the following programmes:

1. COVID-19 Economic Stimulus-Micro Small and Medium Enterprise (MSME) Businesses Grant
2. Economic Stimulus for Farmers and Fishermen
3. COVID -19 - Economic Stimulus - Daycares, Pre-schools, Private Schools, Churches and Religious Organisation, and
4. COVID-19 Transportation Stimulus Package.

This preliminary report also serves as an Addendum to the Special Audit Reports prepared and published by the Auditor General on 21 June, 2021, namely:

1. **Audit Report - COVID–19 Stimulus Grants To Religious Institutions, Civic Groups, Private Schools & Daycares**, and
2. **Audit Report - Covid-19 Stimulus Grants To Farmers & Fisherfolk**,

and should accompany each of those two reports wherever they are circulated or referenced.

NOTE:

1. **This is a preliminary report. The figures contained in this report are unaudited and are subject to revision pending the internal auditing process and final audit.**
2. **Due to the design of the accounting system used by the Ministry of Finance, some payments were posted to the relevant accounts in 2021.**

Executive Summary

COVID-19 is the worst public health emergency to hit the world in over 100 years. The pandemic had claimed millions of lives worldwide as it has brought health systems on the brink of collapse or crashing them altogether. Neither large nor small, rich nor poor, developed nor developing economies have been spared the wrath of this killer disease. Some have been in and out of lockdowns since the pandemic started in March 2020. Millions are out of work and countless businesses have been shuttered, especially the most vulnerable, with a social crisis piling upon the back of an economic crisis, which itself is piled upon a health crisis.

The Virgin Islands' story in this pandemic so far has been more positive. The Government of the Virgin Islands (GoVI) took early decisive steps to secure the Territory's borders and to keep people safe from the virus. This included curfews, restrictions on business operations and safety protocols. The wide-spread cooperation from the public with these measures saw the Virgin Islands economy beginning a phased and managed reopening that started as early as June 2020.

Implementing the health measures and public safety measures needed to protect to protect citizens from COVID-19, implementing the infrastructure needed to position the Virgin Islands as a competitive tourism destination and the other measures undertaken in response to the pandemic placed an immense burden on the Territory's financial position – which itself is adversely affected by the COVID-19 pandemic.

Recognizing the enormity of the challenge, the BVI Social Security Board (BVISSB) stepped up to provide a $40 million grant to fund a number of economic stimulus measures proposed by the Premier's Office and the GoVI aimed at keeping the economy running, generating opportunities whereby persons could access economic support in a manner that contributes to economic activity in the present building the resilience of the Territory looking to the future, and averting human security risks from the pandemic.

From this grant, allocations were made as follows, based on an agreement with the BVISSB:

1. Economic Stimulus Micro Small and Medium Enterprise (MSME) Businesses Grant Programme - $6.5 million;
2. Economic Stimulus for Farmers and Fishermen - $2 million;
3. Economic Stimulus to Churches, Day Cares and Private Schools - $1 million; and
4. COVID-19 Transportation Stimulus Package - $1 million.

These figures were based on estimates made during the early stages of the pandemic, which has been protracted. As implementation of the programmes rolled out, a more accurate picture of the level of stimulus funding that was needed emerged. Based on a request from the Ministry of Finance in light of this information, the BVISSB approved two further variations of $4.5 million and $1 million to supplement the shortfall in the various programmes. A summary of the actual expenditure to date is shown in *Table 0-1*.

Table 0-1: Summary of COVID-19 Stimulus Funds supervised by Office of the Premier

Programme/ Particulars	Requested Amount US$	Funds Approved by BVISSB US$	Actual Expenditure US$		No of Recipients
Economic Stimulus Micro Small and Medium Enterprise (MSME) Businesses Grant Programme	**7 million**	**6.5 million**		**7,406,521**	**1,226**
Economic Stimulus for Farmers and Fishermen	**2 million**	**2 million**		**5,102,000**	**408**
Farmers			2,881,500		201
Fishermen			2,220,500		207
Churches, Daycares and Private Schools	**1 million**	**1 million**		**2,337,818**	**124**
Churches			1,370,000		81
Church Groups and Religious Organizations			55,000		11
Day Cares and Pre-Schools			912,818		32
COVID-19 Transportation Stimulus Package	**1 million**	**1 million**		**1,341,147**	
Park and Ride Taxi Programme			304,769		105
Quarantine Services			875,800		74
Traffic Warden Programme			30,505		25
Miscellaneous Expenses			48,569		
Purchase of 2 Electric Vehicles			81,504		
Variations approved by BVISSB on the request of the Ministry of Finance within the Grant funds		4.5 Million 1 Million			
Total	**11 Million**	**16 Million**		**16,187,486**	

The total expenditure on the four stimulus programmes to date is $16.19 million, consisting of:

1. Economic Stimulus Micro Small and Medium Enterprise (MSME) Businesses Grant Programme - $7.4 million;
2. Economic Stimulus for Farmers and Fishermen - $5.1 million;

3. Economic Stimulus to Churches, Day Cares and Private Schools - $2.3 million; and
4. COVID-19 Transportation Stimulus Package - $1.3 million.

Under the Economic Stimulus Micro Small and Medium Enterprise (MSME) Businesses Grant Programme, 1,226 businesses received economic stimulus grants between $1,591 to $7,954, to keep their businesses afloat while weathering the COVID-19 storm so that they could survive to reopen as many are doing now.

Some 201 farmers and 207 fisher folk were awarded grants ranging from $9,000 to $22,500 to enhance their ability to produce food to service local demand and enhance the Territory's food security in the longer run.

Some 81 churches received grants between $7,000 and $26,423, and 11 religious organizations received $5,000 each. These organizations contribute to society by providing spiritual support, counselling services and charity to needy persons, and in this regard, supporting these organizations was considered based on their social support function.

A total of 33 day cares, pre-schools and private school received grants between $15,000 and $37,615, as support to them during the period of hardship and to help them to meet the costs of preparing to receive students once it is safe to do so.

Expenditure under the COVID-19 Transportation Stimulus Package included approximately $90,000 towards the purchase of two electric vehicles for a round-the-town shuttle service in the Capital; $30,505 to meet the wages for 25 traffic wardens who worked during the turn-around of the traffic in Road Town which was part of an initiative to reduce congestion in the Capital and to create a more pedestrian friendly Capital; $304,769 in remuneration to 105 taxi operators who participated in the park and ride initiative in Road Town on a rotation basis; and $875,800 in transportation cost to 74 land and sea transportation providers who transported returning residents and tourists to their quarantine locations across the Virgin Islands during the phased reopening of the air and sea borders.

These initiatives were important for keeping money in circulation in the economy, stimulating economic activity at a time when one of the Territory's main economic engine – tourism – was at the mercy of a virtual shutdown of the global tourism and global aviation industries, plunging private sector and public sector revenues to abysmal levels.

The GoVI's opting to cover transportation costs for incoming travellers, provided income to approved transportation operators, eased the cost of coming into the Territory, whether for returning nationals or vacationers who were essential to bringing business to tourism service providers such as hotels, guest houses, villas, restaurants, food providers and other secondary beneficiaries in the economy. This contribution to tourism also enhanced the Territory's competitive advantage as a holiday destination during the pandemic.

The fact that Virgin Islands residents have been out of lockdown since June 2020, deaths have remained at one unfortunate case for more than one year, families have not been thrown into destitution and homelessness, businesses have been able to open for the past 12 months, the

Territory's borders have been able to reopen to international travellers, the Virgin Islands economy has been able to fully reopen and businesses are able to participate in this reopening, are all signs that GoVI's strategy for dealing with the economic, public health and social implications of the COVID-19 pandemic, have been on target.

The increased visibility of farmers and fisher folk selling their produce and catch respectively at various locations across the Territory, and local fish, vegetables and provision adorning supermarket shelves and the Saturday morning market at Sir Olva Georges Plaza, are tangible and anecdotal evidence that grants in these sectors have been put to good use, and this would be confirmed in the evaluation exercises. This progress towards enhancing the Territory's food security provides impetus for the GoVI to source the additional $1.4 million needed to provide financial assistance to the remaining farmers and fishermen who were qualified for grants but for varied reasons were unable to be paid thus far.

It is clear that GoVI's COVID-19 interventions have delivered their expected purpose; social and economic support. These interventions softened the blow from COVID-19 on residents and placed them in a position to more easily recover from the impact of the pandemic.

It must be borne in mind that the length and depth of the impact of COVID-19 on small vulnerable states like the Virgin Islands is still unknown. And since the pandemic is not yet over, a level of uncertainty remains.

The Virgin Islands can be optimistic that the positive responses being seen with respect to tourist arrivals since the reopening of the international borders and the relaxing of quarantine periods and entry fees for incoming travellers, would keep the Territory's economy moving forward once the spread of COVID-19 remains subdued locally and internationally.

It is possible that further stimulus interventions may become necessary in the future, and here the knowledge gained from the implementation of these programmes and the recommendations for continual improvement can benefit the Territory.

These recommendations include:

Putting measures in place to:

1. Maintain registers or updated lists of businesses, churches, pre-schools, day cares, farmers and fisher folk and so forth, to improve the efficiency in executing projects in the future and to establish the status and history of prospective applicants;

2. Encourage businesses, churches, pre-schools and day care centres, farmers and fisher folk and so forth to maintain updated records to reduce the time for filing applications and processing application in future projects;

3. Accelerate the implementation and transition into e-Government which will make it more convenient for persons to access the range of Government services without having to attend a physical office. Some of the e-Government legislation was already passed in the House of Assembly recently and is going through the implementation process;

4. Improve enforcement by the various Government agencies of the various legislation pertaining to businesses, churches, NPO's and so forth to ensure that they are complying with requirements such as registration and Statutory obligations; and

5. Ensure Government agencies and Statutory bodies implement a public education programme on the importance and benefits of compliance with the various Statutory requirement such as registration and making Statutory payments. Understanding this may encourage more persons, businesses and organizations to maintain compliance.

Finally, although this report is based on unaudited figures, it also provides ample proof that all funds managed by the Premier's Office are accounted for and that they were disbursed into the hands of beneficiaries approved by the respective Committees charged with administrating the stimulus programmes. The internal audit and then final audit processes are still to be completed, but their findings should concur with this preliminary report.

Table of Contents

Purpose of Report i
Executive Summary ii
Table of Contents vii
List of Tables x
List of Figures xi
Abbreviations xii
1 Introduction 1
2 Background 4
2.1 Global Impacts of the COVID-19 Pandemic 4
2.1.1 Tourism 5
2.1.2 Global Economic Shock 6
2.1.3 Unemployment 6
2.1.4 Poverty 7
2.1.5 Health Security 7
2.1.6 Food Security 8
2.2 COVID-19 Impact on the Virgin Islands 9
2.2.1 Economy and Government Finances 9
2.2.2 Tourism 11
2.2.3 MSME's 11
2.2.4 Fisheries and Agriculture 11
2.2.5 Churches, Day Cares and Private Schools 14
2.3 Virgin Islands Government response to COVID-19 15
2.4 BVI Social Security Board Grant 15
3 Disbursement of Grant Funds 17
3.1 Economic Stimulus Micro Small and Medium Enterprise (MSME) Businesses Grant Programme 18
3.1.1 Qualifying Criteria and Selection 18
3.1.2 Accountability and Transparency Framework 20
3.1.3 Summary of Disbursements 24
3.2 Economic Stimulus for Farmers and Fishermen 30
3.2.1 Qualifying criteria 35
3.2.2 Accountability and Transparency Framework 36

3.2.3 Summary of Disbursements 39
3.3 Churches, Daycares and Private Schools 47
3.3.1 Qualifying criteria 47
3.3.2 Accountability and Transparency Framework 48
3.3.3 Summary of Disbursements 48
3.4 COVID-19 Transportation Stimulus Package 51
3.4.1 Accountability and Transparency Framework 51
3.4.2 Summary of Disbursements 52
4 Challenges to Implementation 57
5 Further Action Required 59
6 Recommendations for Continual Improvement 60
7 Conclusion 61
8 References 63
9 Appendices 66
9.1 Appendix 1 – BVISSB Grant; Approved Initiatives 66
9.2 Appendix 2 – Cabinet Decisions 67
9.2.1 COVID-19 Economic Stimulus - Small Business Sector Grant Programme Memo No. 211/2020 67
9.2.2 COVID-19 Economic Stimulus - Small Business Sector Grant Programme Memo No. 267/2020 68
9.2.3 COVID-19 Economic Stimulus-Micro Small and Medium Enterprise (MSME) Businesses Grant Relief Awards Memo No. 343/2020 69
9.2.4 COVID -19 - Economic Stimulus - Daycares, Pre-schools, Private Schools, Churches and Religious Organisations Memo No. 236/2020 70
9.2.5 COVID-19 Economic Stimulus Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisation Programme (Revised) Memo No. 342/2020 71
9.2.6 Economic Stimulus - Farmers and Fisherman Memo No. 179/2020 73
9.2.7 COVID-19 Transportation Stimulus Package Memo No. 175/2020 75
9.2.8 COVID-19 Transportation Stimulus Package Budget 77
9.3 Appendix 3 – Sample Letters to Funding Recipients 78
9.3.1 Letter to COVID-19 Economic Stimulus – MSME Recipients 78
9.3.2 Letter to COVID-19 Farmers and Fishermen Economic Stimulus recipients 79
9.3.3 Letter to COVID-19 Preschools, Day-Cares, Private Schools, Churches and Religious Organizations Economic Stimulus Recipients 80
9.3.4 Letter to COVID-19 Transportation Service Providers 81

9.3.5 Letter to Park and Ride Transportation Initiative Recipients 82
9.4 Appendix 4 – Declarations by Grant Recipients 83
9.4.1 Declaration Completed by Churches and Religious Organizations 83
9.4.2 Declaration Completed by Day-Cares, Pre-Schools and Private Schools 84

List of Tables

Table 0-1: Summary of COVID-19 Stimulus Funds supervised by Office of the Premier iii
Table 2-1: Typical needs of the commercial farming and fishing community 13
Table 3-1: Summary of COVID-19 Stimulus Funds supervised by Office of the Premier 17
Table 3-2: Estimated number of Businesses in the Virgin Islands by Number of Employees 19
Table 3-3: Estimated Number of Impacted MSMEs 20
Table 3-4: MSME Grant Output and Outcome Indicators 23
Table 3-5: Distribution of MSME Grants by District 27
Table 3-6: Distribution of MSME Stimulus Grant based on Value of Award 29
Table 3-7: Farmers by Residency Status 31
Table 3-8: Farmers based on Island of Activity 31
Table 3-9: Farmers' Main Sources of Income 32
Table 3-10: Challenges facing Farmers 33
Table 3-11: Fishermen by Residency Status 33
Table 3-12: Fishermen based on Island of Activity 33
Table 3-13: Fishermen's Main Sources of Income 34
Table 3-14: Challenges facing Fishermen 35
Table 3-15: Scale of Commercial Agriculture in the Virgin Islands 36
Table 3-16: Distribution of Grants under the COVID-19 Economic Stimulus for Farmers and Fishermen Programme 39
Table 3-17: Distribution of Grants to Farmers by District 39
Table 3-18: Distribution of Farmers Stimulus Grant based on Value of Award 41
Table 3-19: Distribution of Grants to Fishermen by District 43
Table 3-20: Distribution of Fishermen Stimulus Grant based on Value of Award 45
Table 3-21: Allocation by Membership for Churches 48
Table 3-22: Summary of Disbursements to Churches, Religious Organizations, Preschools and Daycare Centres 49
Table 3-23: Summary of COVID-19 Stimulus Disbursements to Churches 49
Table 3-24: Summary of COVID-19 Stimulus Disbursements to Day Cares and Pre-Schools 50
Table 3-25: Summary of Expenses for the COVID-19 Transportation Stimulus Package for July 2020 – May 2021 52
Table 3-26: Summary of Expenses for the Park and Ride Taxi Programme for July – December 2020 53
Table 3-27: Summary of Expenses for Quarantine Services for July – December 2020 54
Table 3-28: Summary of Expenses for Traffic Warden Programme for July – December 2020 55
Table 3-29: Summary of Miscellaneous Expenses for July 2020 – May 2021 55

List of Figures

Figure 2-1: International Tourist Arrivals 2020 5
Figure 3-1: Summary of Outcome of Rejected Applications for MSME Stimulus Grant 25
Figure 3-2: Summary of Incomplete Applications for MSME Stimulus Grant 25
Figure 3-3: MSME Stimulus Grants - Successful vs Unsuccessful Applications 27
Figure 3-4: Total Number of MSME Stimulus Grants Issued by District 28
Figure 3-5: Distribution of MSME Stimulus Grants Issued by District 28
Figure 3-6: MSME Stimulus Grants based on Value of Awards 29
Figure 3-7: Distribution of COVID-19 Stimulus Grants to Farmers by District 40
Figure 3-8: COVID-19 Farmers Stimulus Grant Awards by District 40
Figure 3-9: COVID-19 Farmers Stimulus Grant Awards Comparison with Farmers and Fishermen Survey 41
Figure 3-10: COVID-19 Farmers Stimulus Grants based on Value of Awards 42
Figure 3-11: Distribution of COVID-19 Stimulus Grants to Farmers by District 43
Figure 3-12: COVID-19 Farmers Stimulus Grant Awards by District 44
Figure 3-13: COVID-19 Fishermen Stimulus Grant Awards Comparison with Farmers and Fishermen Survey 44
Figure 3-14: Fishermen Stimulus Grants based on Value of Awards 45
Figure 3-15: Distribution of COVID-19 Stimulus Grants to Pre-Schools and Day Cares 50
Figure 3-16: COVID-19 Stimulus Transportation Miscellaneous Expenses 56

Abbreviations

COVID-19	Coronavirus Disease 2019
BVISSB	BVI Social Security Board
GoVI	Government of the Virgin Islands
HEOC	Health Emergency Operations Center
ILO	International Labour Organization
MSME	Micro Small and Medium Enterprise
NPO	Non-Profit Organization
UNWTO	United Nations World Tourism Organization
PHEIC	Public Health Emergency of International Concern
SARS	Severe Acute Respiratory Syndrome
SDGs	Sustainable Development Goals
UK	United Kingdom
UN	United Nations
US; USA	United States of America
WHO	World Health Organization
WTO	World Trade Organisation

1 Introduction

With a death toll in excess of 2 million souls across more than 200 countries in just one year[1], the Coronavirus Disease 2019 (COVID-19) global pandemic has shocked almost every facet of human life as governments and populations adopted – and continue to implement - measures to protect lives and economies.

The high fatality and transmission rates and the dramatic social and economic fallout in large and small countries have cast COVID-19 as a potential human security threat multiplier[2] and a *"super wicked problem"*[3], with the capacity for existential impacts – particularly for more fragile populations[4]. In this regard, while the pandemic clearly presents direct health threats, care must be exercised not to overlook the increased vulnerability COVID-19 presents to the most socially and economically deprived in society[5].

It is an undeniable fact that COVID-19 is the worst pandemic to have hit the world in over 100 years.

The challenge of COVID-19 has been one of managing and balancing multiple competing interests, each of which carry high stakes. It has been one of making trade-offs to balance lives with livelihoods[6]. Disruptions from lockdown and physical distancing protocols aimed at containing the spread of the disease triggered an economic meltdown worldwide[7] and a human security crisis[8].

It is important to note that the unforeseen and unprecedented nature of the COVID-19 global pandemic has meant that in economies and states around the world many policies that were conceived and implemented prior to the pandemic were deficient in addressing issues emergent from the pandemic, where a "New Regular" or a "New Normal" had to be developed to cope with arising challenges. Due to the dynamic nature of the pandemic, particularly in the early stages of the emergency, and where there was no playbook for this pandemic, policymaking and implementation was an evolutionary process requiring frequent adjustments to correct for changes in the domestic and global developments in the pandemic.

The Virgin Islands was not spared direct and knock-on effects of the impacts of COVID-19 – the worst public health emergency to strike the world in over 100 years. Closure of the Territory's international borders and various other restrictions effectively shut down the Virgin Islands' tourism industry for more than eight consecutive months. Most local businesses were directly or indirectly affected, and thousands of Virgin Islanders and residents lost their sources of income and sustenance.

---

[1] *Worldometer (2021)*
[2] *Mercy Corps (2020)*
[3] *Auld et al (2020)*
[4] *Milani (2020)*
[5] *Patel et al (2020)*
[6] *Hartley (2020)*
[7] *Wambua (2020)*
[8] *Fukushima (2020)*

The Government of the Virgin Islands (GoVI) implemented a number of measures to provide financial support and food to citizens using state funds. Through the further assistance of a US$40 million grant from the BVI Social Security Board (BVISSB), the GoVI was able to fund an economic stimulus programme in the sum of US$22.5 million, which was managed by the GoVI under the terms of an agreement with the BVISSB. The remaining US$17 million from the grant was for distribution by the BVISSB with US$7.5 million for strengthening the NHI and $10 million for temporary income support due to special circumstances such as the COVID-19 Pandemic; *see Appendix 1 – BVISSB Grant; Approved Initiatives.*

The initial request from the BVISSB was based on estimations, however as implementation was rolled out and the true extent of required financial interventions became apparent, authorization was sought from the BVISSB by the Ministry of Finance to redirect $4.5 million from the allocation for a housing repair programme which was to be managed by the Ministry of Health and Social Development, towards the various stimulus programmes. A further variation of $1 million from the BVISSB by the Ministry of Finance and this was approved.

This report presents an account for the use of funds from the BVISSB grant that were under the management and supervision of the Premier's Office, namely Economic Stimulus for Farmers and Fishermen, Economic Stimulus Micro Small and Medium Enterprise (MSME) Businesses Grant Programme, Economic Stimulus - Churches, Daycares and Private Schools, and COVID-19 Transportation Stimulus Package. The total amount managed by the Premier's Office for these programmes after variations agreed with and approved by the BVISSB, was $16 million.

The various programmes were able to provide economic support and opportunities for thousands of residents who were otherwise without a livelihood due to COVID-19. This reduced the burden on the Territory's social welfare systems. In many instances, beneficiaries were able to provide services in return for the financial support.

Over 1,200 local businesses were given a lifeline to avert permanent closure. In this regard, the assistance was an investment in the future of the Virgin Islands economy. Businesses are able to remain open, creating jobs and contributing to the economy. Farmers and fisherfolk are able to acquire equipment and other resources to increase their production, and contribute to the Territory's food security and economic activity.

Churches and religious organizations play an important stabilizing role in society. They provide spiritual guidance, counsel persons in times of difficulty and distress, and help charitable cases. Most raise funds through the collection of tithes and donations, which would have been difficult to do due to restrictions on holding gatherings and as congregation members themselves suffered income loss due to the pandemic. The provision of grants facilitated the churches and religious organizations in the Territory to continue in this role.

The funds disbursed not only helped citizens to put food on their tables but contributed to stimulating activity in the local economy.

Chapter 2 of this report provides a macro view of the impact of COVID-19 on the global economy and critical human security factors in large and small states. This presents a backdrop

against which the economic and social impact of the pandemic on the Virgin Islands can be compared and more accurately placed in context. The evidence shows that the impact on the Virgin Islands and emergent challenges are not dissimilar to what has been witnessed in other countries, however through the interventions of Government the situation in the Virgin Islands is better than in most other developed and developing countries.

Chapter 3 provides an account of how the BVISSB funds for programmes managed by the Premier's Office were disbursed. For each programme, an overview of the concept of the programme, the authority and guidelines for the programme, and a summary of expenditure is presented.

Chapter 4 contains concluding remarks and Chapter 5 presents knowledge gained from the execution of the programmes, which learning can be applied for continual improvement purposes to enhance the execution of future projects by the GoVI.

Key recommendations are that systems should be put in place to:

1. Maintain registers or updated lists of businesses, churches, pre-schools and daycare centres, farmers and fisherfolk and so forth to improve the efficiency in executing projects in the future;

2. Encourage businesses, churches, pre-schools and daycare centres, farmers and fisherfolk and so forth to maintain updated records to reduce the time for filing applications and processing application in future projects;

3. Develop standardised forms for persons and businesses to submit applications and invoices for programmes of this nature, so that the data entry and reporting processes can be streamlined for more efficient output;

4. Accelerate digitization of Government services through e-Government strategies to reduce the difficulty in obtaining documents such as good standing certificates and general record keeping and management; and

5. Conduct an impact assessment in the various sectors to which the stimulus funds were injected, as well as within the wider economy, to determine the effectiveness of the strategy in providing relief and support to the economic and social systems of the Territory, to identify new areas where attention may be needed, and to identify recommendations for continual improvement.

2 Background

A disease outbreak, now identified to be COVID-19, a highly transmittable and potentially fatal disease spread by a novel Coronavirus, was first detected in Wuhan, China, in December 2019. There was no known cure or vaccine for the disease. By 30 January, 2020, the total case count surpassed that for the 2002-2004 Severe Acute Respiratory Syndrome (SARS) outbreak, which affected 8,096 people worldwide, and COVID-19 was declared a Public Health Emergency of International Concern (PHEIC) by the World Health Organisation (WHO)[9]. By 11 March, 2020, within a two week period, COVID-19 infections outside of China increased 13-fold to more than 118,000 cases with 4,291 reported deaths, and export of the virus tripled to 114 countries. Owing to this rapid and continuing spread, COVID-19 was declared a Global Pandemic[10]. By 26 January, 2021, the total reported infections crossed 100 million with well over 2 million deaths. By 15 June, 2021, total reported infections worldwide was in excess of 177 million and the death toll was just below 4 million. These figures still continue to rise daily[11].

COVID-19 has placed severe stress on healthcare systems worldwide, impacting all socioeconomic classes, and in some cases bringing health systems near to collapse[12]. The implications, however, far transcend the direct health implications. COVID-19 has triggered an economic meltdown worldwide[13] due to disruptions from lockdown and physical distancing protocols. It has forced governments to make trade-offs to balance lives and livelihoods[14], and to endure voluminous public spending to cushion the impact on citizens and businesses, economic stimulus programmes, higher public sector borrowing, increased taxation and reduced public spending[15].

2.1 Global Impacts of the COVID-19 Pandemic

Neither borders, nor military power, nor economic capacity, was capable of stopping the worldwide dissemination of COVID-19. Disruptions from lockdown and physical distancing protocols, loss of earnings for businesses and individuals, lower foreign direct investment and tumbling oil prices impacted virtually every economy on the planet. Business in many sectors has become inviable and uncompetitive. The International Monetary Fund (IMF) has projected the economic impact of COVID-19 to surpass that of 10-year Great Depression of October 1929[16]. COVID-19 is the worst pandemic to have hit the world in over 100 years.

---

[9] *WHO (2020)*
[10] *WHO (2020a)*
[11] *Worldometer (2021)*
[12] *Robinson (2020)*
[13] *Wambua (2020)*
[14] *Hartley (2020)*
[15] *Milani (2020; Valensisi (2020); Hartley (2020)*
[16] *IMF (2020)*

As an invisible threat, COVID-19 has managed to reach individuals irrespective of class, status, nationality, race and gender, albeit *"pre-existing and enduring cultural, social and economic inequalities ensure that the virus discriminates"* against the chronically disadvantaged[17].

2.1.1 Tourism

The United Nations World Tourism Organization (UNWTO) Tourism Data Dashboard[18] has reported the loss of 850 million to 1.1 billon or net decline of 74 % of international tourists in 2020 compared to 2019; *see Figure 2-1*.



Figure 2-1: International Tourist Arrivals 2020
Source: UNWTO (2021)

The organisation estimates this loss at US$ 910 billion to US$ 1.2 trillion in export revenues from tourism reports and 100 to 120 million direct tourism jobs at risk, many of them in small and medium-sized enterprises. The evolving nature of the pandemic has worsened the overall prospects of a rebound in 2021. Many countries are reintroducing stricter travel restrictions that include mandatory testing, quarantines and in some cases a complete closure of borders, all weighing on the resumption of international travel. As and when tourism does restart, the

[17] *Milani (2020)*
[18] *UNWTO (2021)*

UNWTO Panel of Experts foresee growing demand for open-air and nature-based tourism activities, with domestic tourism and 'slow travel' experiences gaining increasing interest[19].

2.1.2 Global Economic Shock

As early as June 2020, the World Bank, in its Global Economic Prospects Report, noted:

> *"The COVID-19 pandemic has, with alarming speed, delivered a global economic shock of enormous magnitude, leading to steep recessions in many countries. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020—the deepest global recession in eight decades, despite unprecedented policy support."*[20].

The organization projected the majority of countries to plunge into recession during the remainder of 2020, with advanced economies expected to shrink by 7 percent due to widespread social-distancing measures, a sharp tightening of financial conditions and a collapse in external demand depress activity. Reporting in January, 2021, the World Bank reports a subdued projection for recovery which will remain more than 5 % below the pre-pandemic trend[21].

2.1.3 Unemployment

The International Labour Organization (ILO) estimates that labour income loss for 2020, before income support, reached US$3.7 trillion, as 33 million full-time equivalent (FTE) jobs shifted into unemployment and 81 million FTE jobs shifted to inactivity. Working hour reduction contributed 50 percent of income loss in employment[22].

Loss of employment carries a knock-on impact on access to food, shelter and basic amenities[23]. In Europe, found the economic and unemployment impact of COVID-19 has been asymmetrical[24]. The worst affected were the most vulnerable countries and segments of the workforce, especially workers in low productivity services, who would face particularly high uncertainty in the mid-term. Early and prolonged casualties were sectors that where movement and physical interaction of persons is unavoidable, such as tourism, travel, restaurants and cinemas, and where teleworking is not a viable option, such as sanitation[25].

According to the World Economic Forum in its Global Risks Report 2021[26]:

> *"The impact of the pandemic on livelihoods has been catastrophic, especially on those who have no savings, have lost their jobs or faced pay cuts. Working hours equivalent*

---

[19] *UNTWO (2021a)*
[20] *World Bank (2020)*
[21] *World Bank (2021)*
[22] *ILO (2021)*
[23] *Fana, Pérez and Fernández-Macías (2020); (Wambua, 2020)*
[24] *Fana, Pérez and Fernández-Macías (2020)*
[25] *Fana, Pérez and Fernández-Macías (2020); Hartley (2020)*
[26] *WEF (2021)*

to 495 million jobs were lost in the second quarter of 2020 – 14% of the world's entire workforce. At the time of writing, only half were expected to have been recovered by the end of the year. Youth, unskilled workers, working parents - especially mothers – and already-disadvantaged minorities have been especially hard hit: 70% of working women across nine of the world's largest economies believe their careers will be slowed by the pandemic's disruption,8 while 51% of youth from 112 countries believe their educational progress has been delayed."

2.1.4 Poverty

Reporting in October, 2020, the IMF projected that the economic shock from COVID-19 is likely to plunge a further 90 million persons worldwide into extreme poverty – that is, living on under US$1.90 per day[27]. This will roll back decades of progress in poverty reduction[28]. Inequalities in accessing internet for online learning and working will exacerbate the situation[29]. The socio-economic impacts of COVID-19 is anticipated to magnify existing problems associated with poverty and inequality, making more fragile states even more vulnerable. This does not render much optimism for meeting the Sustainable Development Goals (SDG) 2030 global objectives[30].

2.1.5 Health Security

Just like with the Spanish Flu, that killed 50 million people worldwide a century ago[31], the absence of effective pharmacological interventions for COVID-19 have been placing severe stress on healthcare systems worldwide, impacting all socioeconomic classes[32].

In some countries, such as Italy and Spain, healthcare systems were brought to the breaking point. Disadvantaged, less developed communities appeared more vulnerable to outbreaks in the early stages of the pandemic although as time progressed infection rates in more affluent communities also began to spike. Persons in poor communities with less developed healthcare systems were also observed to have higher COVID-19 fatality rates due to such communities having lower access to high quality healthcare, which may have contributed to higher rates of comorbidities, and lower education levels making residents in these communities less likely to have telework options[33].

Further, healthcare systems are at risk of collapsing as insurance systems become burdened, contributory plans cease to work because persons are retrenched, and employers find ways to

[27] *IMF (2020a)*
[28] *Valensisi (2020)*
[29] *Wambua (2020)*
[30] *Mercy Corps (2020)*
[31] *Finch and Finch (2020); Robinson (2020)*
[32] *Fukushima (2020); Mercy Corps (2020); Robinson (2020)*
[33] *Finch and Finch (2020)*

cut back on expenses. Additionally, that some types of care may be unavailable as resources are directed to the COVID-19 battle[34].

Research has also shown that anxiety over COVID-19 can cause distress and anxiety disorders in persons, which are not only harmful to their physical and emotional health, but can lead to unnecessary strain on medical systems as persons request testing or expose themselves to infection by venturing from their homes to visit testing facilities[35].

A study in South Korea concluded that the long-term health impacts of COVID-19 on persons is unknown however there are indications that the physical and psychological side effects can be extensive and long-lasting. As reported by the World Economic Forum:

> *"Long-term health impacts remain unknown: in South Korea, a survey found that 90% of recovered COVID-19 patients were still suffering from physical and psychological side effects such as ageusia (loss of taste), anosmia (loss of smell), attention disorder and fatigue."*[36]

The insinuation in such an uncertain environment is that an ounce (or more) of prevention is worth a pound of cure.

2.1.6 Food Security

Disruption the global food production value chains from COVID-19, and the overall economic fallout, are affecting access to sufficient and nutritious food, potentially pushing an additional 130 million persons into acute hunger, adding to the 2 billion globally who were experiencing severe or moderate food insecurity prior to the pandemic[37].

[34] *Blumenthal et al (2020)*
[35] *Tambri, Hollingshead and Wohl (2020)*
[36] *WEF (2021)*
[37] *Wambua (2020); Clap and Moseley (2020)*

2.2 COVID-19 Impact on the Virgin Islands

The COVID-19 global pandemic disrupted and depressed business activity globally, and the Virgin Islands was no exception.

In response to the pandemic, the GoVI embarked on series of policy action to curb the spread of the virus, to protect lives and to safeguard the domestic economy from long term and catastrophic damage. The measures included the closure of the air and sea borders, the suspension of cruise ship arrivals, a 24-hour domestic curfew from March 26, 2020, followed by other curfews, one of which last over 30 days. It was an inevitable consequence that these urgently necessary initiatives would adversely impact the local economy and in particular, has negatively affected small businesses, which make up a large percentage of businesses operating in the Territory.

Small businesses are more vulnerable to prolonged economic shocks because they usually do not have the resources to support their business during extended periods of low or no revenue. Across the economy, private and public sector revenues shrunk. At the same time, national priorities had to be reorganised and funding re-assigned to more critical needs.

Most sectors that are key to the economic and human security of the Territory came under intense pressure.

2.2.1 Economy and Government Finances

Contraction of global tourism, coupled with the decisive precautionary measures implemented by GoVI to mitigate the spread of the coronavirus in the Territory, resulted in a reduction in tourism related business activity and knock-on impacts on other areas since the start of the pandemic in March 2020.

The draft estimates in the 2021 Budget documents show total Government revenue for 2020 was $340 million; $22 million less than initially projected and 6.65 percent lower than 2019 actual revenue.

Compared to 2019 and based on estimates for 2020, Tourist Arrival Levy fell by $1.8 million. Passenger tax increased by $1.1 million, but revenue from cruising permits fell by $3.3 million, and hotel accommodation tax proceeds fell by $420,000 or 16.02 %.

Taxes on goods and services declined by $38.75 million or 16.87 % when compared to 2019 and income and payroll tax revenue dropped by $7.49 million due to the disruption in economic activity by COVID-19.

These impacts have compounded the ongoing challenges facing the Territory from the downward trend that has been observed over the past few years in corporate registrations. Revenue from registrations in 2020 was $168.9 million; $26.5 million less than initially projected and $29.8 million or 15 % lower than 2019.

Recurrent expenditure for fiscal 2020, according to the 2021 Budget estimates, totalled $366.5 million. This sum includes $57.4 million in COVID-19 prevention expenses that were not initially budgeted for since this coronavirus had not even been heard of at the time of the preparation of the 2020 Budget in late 2019. Assistance to meet this unanticipated expenditure was derived from a $40 million grant from the BVISSB.

GoVI's COVID-19 strategy was not restricted to containment of the virus and treatment of infected persons. It also included social considerations such as ensuring that persons had suitable housing given the devastations from Hurricanes Irma and Maria in 2017 and the need to provide economic stimulus to local businesses and making investments in job creation and food security.

To this end, COVID-19 related expenses included:

a) $3.9 million to provide assistance grants to individuals - administered by elected representatives who were each allocated $300,000 to assist their communities;

b) $2.8 million for the House-to-House Garbage Collection and Food Distribution programmes;

c) $2.99 million for Contingency Funding to Ministry of Health for precautionary measures relating to COVID-19;

d) $4 million for accommodations for returning residents;

e) $8.6 million allocated to the Ministry of Health and Social Development which includes a grant of $8.1 million to the BVI Health Services Authority for precautionary measures relating to COVID-19; and

f) $4 million for infrastructure works related to managing the national sewerage distribution system.

Additionally, GoVI undertook an economic stimulus programme, funded by the BVISSB grant, to mitigate the socio-economic impact of the pandemic and lingering effects of the 2017 Hurricanes, which exacerbated human security factors. Initiatives under this programme included:

a) $2 million to cover Food Production grants in Agriculture and Fisheries;

b) $6.5 million in grants to local businesses affected by COVID-19;

c) $1 million in stimulus grants to hotels and villas participating in Government's COVID-19 quarantine programme;

d) $9 million for housing repairs, materials, labour and reconstruction assistance to water-tight homes damaged by the 2017 catastrophic hurricanes;

e) $1 million to develop an insurance initiative to be undertaken by the BVI Social Security Board;

f) $1 million for other social needs related to COVID-19;

g) $1 million to offer support for Day Cares, Private Schools, Churches, and other Religious Organisations;

h) $1 million to fund a Transportation initiative for the City of Road Town from Terrance B. Lettsome International Airport to approved quarantine areas in Tortola. This initiative also includes our Sister Islands; and

i) $7.5 million in support to the National Health Insurance programme.

Justification for the key elements of the strategy are outlined in the subsections that follow.

2.2.2 Tourism

The immediate and most stinging impact of COVID-19 to the Virgin Islands has been the shock to the tourism sector which has had significant negative consequences for employment, business continuity, Government revenue and overall tourism related economic activity. Taxi drivers, tour operators, vendors, hotels, restaurants, chartered boats and commercial ferry operators at the front-line of the economic slowdown have been severely impacted. Major hotels in the Territory, for instance, made the decision to close and operate with a skeleton staff. As financial stresses deepen, other establishments may be forced to do the same. The cessation of activity in the cruise ship industry also left dependents such as taxi drivers and tour operators with no customers to service and hence with no income to support their families and to meet financial obligations.

2.2.3 MSME's

A COVID-19 Impact Business Survey conducted by the GoVI in April 2020, during the extensive lockdown period revealed the total monthly losses for businesses with less than 25 employees were in the region of $27 million. Some businesses had financial obligations such as loans, outstanding bills and wages to employees, who were also being displaced from their jobs by the domestic and international economic impacts of the pandemic.

2.2.4 Fisheries and Agriculture

The Virgin Islands' agriculture and fisheries sector currently makes up a small share of the Territory's economy. The vast majority of food, including seafood consumed in the Virgin Islands, is imported.

As seen in the aftermath of the hurricanes of 2017 and now with the COVID-19 pandemic, the Territory's ability to access fresh, nutritious food particularly during times of crisis is a matter of concern.

As the virus continues to spread rapidly across the globe, food security is critical, particularly as the situation remains fluid, and there is much uncertainty surrounding the duration of the current outbreak.

The onus falls on domestic fisheries and agriculture capabilities to ensure that a greater percentage of the food required is grown and harvested locally to strengthen the Territory's food security.

There are currently 33 registered commercial fishing vessels and 20 pending vessel approvals for registration and licensing. Commercial farmers are estimated at between 40 to 60.

Foreseeable potential impacts of COVID 19 on the local agriculture and fisheries sector and the territory's food security included the following:

a) **Inaccessibility to resources – (e.g. livestock feed, seeds, fertilizers, irrigation materials, gas, ice, fishing equipment, etc.)**

   Production levels at various suppliers around the globe may be reduced due to movement restrictions being implemented on their employees.

   There may also be transhipment restrictions that would inhibit access to these resources. (air and sea).

   Additionally, in the event fuel is scarce, prices may increase.

   Typical needs of the commercial farming and fishing community are summarised in *Table 2-1* below.

Table 2-1: Typical needs of the commercial farming and fishing community

Fisheries	Agriculture
Fishing Equipment (fishing line, twine for nets, cast nets, hooks, fishing gaffs, buoys, rope, wire, fishing rods and reel, anchors, etc.)	**Animal feed** (including supplements)
Navigation and Safety Equipment (GPS/Fishfinders/chart plotters, VHF radios, life vests, flares, first aid kits, etc.)	**Seeds, Fruit trees** (including cuttings and slips)
Foul Weather Gear (raincoats, boots, gloves)	**Planting Equipment and Fencing Material** (ground cover, irrigation material, fencing, posts)
Engines	**Livestock Housing Material** (galvanize, lumber, cinder blocks, mesh, etc.)
Coolers	**Land preparation** (tractor, backhoe, excavator)
Fuel	**Water supply**
Ice	

b) Physical inability to farm or fish if affected by the virus (individual or family members)

Most farmers and fishers are part-time and use fishing and farming to supplement their income. If unable to fish or farm due to illness or injury, this additional income stream will be lost.

Full-time farmers and fishers may have no alternative income streams.

c) Inability to market produce effectively due to restrictions on public gatherings/recommendations for social distancing

With no central market space for fishers and farmers, they rely heavily on personal relationships with customers to be able to market their fish and produce. Many have locations around town where they set up for sale, which is not ideal. However, their ability to have these types of interactions with customers would be significantly reduced due to social distancing recommendations.

Fair access and distribution of local fish, meat and produce will also be a concern, as those in disadvantaged situations may be unable to access local food during this critical period.

Fishers and farmers have also expressed concerns about persons' ability to pay for their fish or produce if current trends with COVID-19 continue.

d) Loss of tourism-related revenue

In the case of fishers, some rely on revenue generated from the sale of lobsters, which are highly sought after by visiting tourists. With the reduction in tourist arrivals due to travel restrictions, this income stream will be greatly reduced.

Charter companies, agents and small businesses that are associated with the pleasure fishing industry will see a reduction in business due to travel restrictions.

e) Increased demand for local fish, meat and produce

In times of crisis, there is usually panic shopping, which diminishes the availability of food items in supermarkets. This, in turn, spikes the demand for locally sourced food items. Rising international prices and inflation can also increase demand for locally produced food.

Additionally, as COVID-19 is a health crisis, persons will tend to gravitate towards locally grown food and local fish to maximize their nutrient intake to boost immunity. Local food items also have a longer shelf life.

f) Increase in illegal fishing activity

Illegal, unregulated and unreported fishing is common in the Virgin Islands' territorial waters and an increase can be anticipated. This could constitute a competing market for licensed fishers and potential health risks as unlicensed fishers are more likely to introduce fish with Ciguatera toxin increasing the risk of compromised immunity in the populace.

2.2.5 Churches, Day Cares and Private Schools

The COVID-19 pandemic has negatively impacted the social services sector of the Virgin Islands with the imposition of restrictions on mass gatherings of every kind including at schools, churches and other social events.

This disruption in social activity in particular, had devastating consequences for small businesses like Private Schools, Preschools and Daycare Centres as well as church gatherings and other social activities that churches administer such as weddings, funerals and after school programmes.

These types of social events were suspended or extremely restricted in numbers, due to social distancing measures that are strictly enforced.

2.3 Virgin Islands Government response to COVID-19

When COVID-19 was declared a global pandemic by the WHO on 11 March, 2020, GoVI immediately began the process of putting preventative measures in place to protect the wellbeing and safety of the Virgin Islands population and its economy from contagion.

Through the Public Health Act 1977, the Quarantine Act 2014 and the Infectious Disease Notification Act, GoVI instituted a number of control measures, which the population cooperated largely with. These measures included closure of the air and sea borders to international arrivals, implementation of 24 hour and partial curfews, and restrictions on the opening and operation of businesses.

GoVI promptly activated the Health Emergency Operations Center (HEOC) to manage aspects of the pandemic management. The Government also convened a COVID-19 Economic Task Force to evaluate the potential impacts of the pandemic on the Virgin Islands economy, inclusive of social impacts, and to make recommendations on how to deal with the possible scenarios. The Task Force highlighted the need for the Government to provide social support to vulnerable citizens, support to businesses and economic stimulus.

GoVI implemented measures to assist vulnerable citizens with food and other essential supplies and services during the initial lockdown period. Additionally, the Government invested in upgrading the healthcare capabilities of the Territory. This included commissioning a certified COVID-19 testing laboratory, creating a dedicated space at the Dr. D. Orlando Smith Hospital for accommodating COVID-19 patients, developing protocols for safe movement and conduct of business, and implemented monitoring systems.

The programme of activities facilitated the Virgin Islands in the phased reopening of businesses and the managed reopening of the air borders for the resumption of tourism activities on 1 December, 2020, albeit on a reduced scale. Businesses are required to adhere to COVID-19 protocols which include limits to the number of patrons, social distancing and enhanced hygiene.

2.4 BVI Social Security Board Grant

The BVI Social Security Board (SSB) stepped forward to provide a grant of $40 million to support the GoVI's economic stimulus plan.

Of this sum, $7.5 million was for strengthening the NHI and $10 million was for temporary income support due to special circumstances such as the COVID-19 Pandemic. These two initiatives were to be administered by the BVISSB.

Allocations for the remaining sum included:

a) $2 million for grants to boost the agriculture and fisheries industries;

b) $6.5 million in grants for local businesses affected by COVID-19;

c) $1 million in stimulus grants for hotels and villas affected by COVID-19;

d) $10 million to assist persons to watertight homes damaged by Hurricane Irma;

e) $1 million for other social needs;

f) $1 million in assistance to churches, daycares and private schools; and

g) $1 million to fund a transportation initiative to transport persons arriving into the Territory to their secure quarantine locations.

As the impact of COVID-19 became clearer, the BVISSB allowed for some adjustments to these allocations – although there was no change in the overall sum of the grant nor changes in the supervision of the funds.

These funds were to be administered through systems as approved by Cabinet of the Virgin Islands and the BVISSB. Under the agreement between the GoVI and BVISSB:

1. The Government was required to provide regular reports to the BVISSB on how the funds were used, and to be audited weekly by the internal auditor;

2. The Government was required by the BVISSB to put measures in place to ensure that the money is spent according to the agreement and that there is no abuse of these funds; and

3. The BVISSB retained the right to cease the release of funds if it finds that the funds are being abused.

The initiatives agreed to and the respective allocations are contained in *Appendix 1 – BVISSB Grant; Approved Initiatives*.

The initial request from the BVISSB was based on estimations, however as implementation was rolled out and the true extent of required financial interventions became apparent, authorization was sought from the BVISSB by the Ministry of Finance to redirect $4.5 million from the allocation for a housing repair programme which was to be managed by the Ministry of Health and Social Development, towards the various stimulus programmes. A further variation of $1 million from the BVISSB by the Ministry of Finance and this was approved.

3 Disbursement of Grant Funds

This chapter details the processes used for disbursing the funds under the various COVID-19 economic stimulus programmes that were implemented by the Premier's Office.

A summary of the initial and revised allocations approved by the BVISSB on the request of the Ministry of Finance, along with the actual expenditure incurred is shown in *Table 3-1*.

Table 3-1: Summary of COVID-19 Stimulus Funds supervised by Office of the Premier

Programme/ Particulars	Requested Amount US$	Initially Approved by BVISSB US$	Variations Approved by BVISSB US$	Actual Expenditure US$	No of Recipients
Food Production (Agriculture and Fisheries) Grant to be administered by the Premier's Office to boost these industries and assist with food security	2 Million	2 Million		5,093,000	408
Grants to local businesses affected by COVID-19, to be administered by a team comprised of representatives of the Ministry of Finance, Premier's Office and Department of Trade.	7 Million	6.5 Million		7,406,521	1,226
Assistance to churches, daycare, private school.	1 Million	1 Million		2,337,818	124
Transportation initiative for the City and from Terrence B. Lettsome International Airport to approved quarantine areas (including Sister Islands)	1 Million	1 Million		1,301,162	Over 204 individuals and businesses
Variations approved by BVISSB on the request of the Ministry of Finance within the Grant funds			***4.5 Million 1 Million***		
Total	**11 Million**	**10.5 Million**	**16 Million**	**16,187,50**	

3.1 Economic Stimulus Micro Small and Medium Enterprise (MSME) Businesses Grant Programme

Consistent with the GoVI's COVID-19 Economic Response Plan (Phase II) released on 28 May, 2020, and in response to the negative impact experienced by small businesses, Cabinet decided, via Extract Memo No. 211/2020 on 17 June, 2020 *(see Appendix 2 – Cabinet Decisions 9.2.1)*, on the allocation of $6.5 million in grants for local small businesses affected by COVID-19 under the Economic Stimulus Micro Small and Medium Enterprise (MSME) Businesses Grant Programme.

These funds were allocated to assist businesses in meeting their operational expenditure, while stimulating economic activity by facilitating the circulation of money within the Territory, with funding from a grant from the BVISSB.

The programme was launched on 21 July, 2021, by the Junior Minister for Trade and Economic Development, Hon Shereen Flax Charles, on behalf of the Premier. This marked the beginning of an online application process which ran for a duration of one month until 21 August, 2021.

Provisions were made through the Department of Trade Investment Promotion and Consumer Affairs to assist applicants who may have had difficulty completing the online application form or did not have access to a computer or Internet connection. An extension of one week from the original deadline was later instituted to facilitate applicants who had challenges uploading their supporting documents and completing their applications.

Further, by Extract Memo No. 343/2020 *(see Appendix 2 – Cabinet Decisions 9.2.3)*, Cabinet on 11 September, 2020, decided that the remaining balance from the Small Business Sector Grant Programme at the time of $381,791, be used to fund an extension of the existing Programme.

The initial batch of awardees represents a 1st Cohort of recipients, and awardees from the extension of the programme represents a 2nd Cohort of recipients. The 2nd Cohort was funded by the balance from the BVISSB Grant after the 1st Cohort and additional funds reallocated from the BVISSB grant with the approval of the BVISSB as requested by the Ministry of Finance.

3.1.1 Qualifying Criteria and Selection

Definition of MSME

The General Policy Guidelines within the Business Licence Policy which was approved by Cabinet in 2018, distinguished businesses by the number of employees and the value of annual turnover as follows:

a) A micro enterprise employs 1-5 persons, with an annual turnover of less than $25,000;

b) A small enterprise employs 6-10 persons, with an annual turnover of less than $125,000,

c) A medium enterprise employs 11-20 persons, with an annual turnover of less than $200,000; and

d) A large enterprise employs more than 20 persons, with an annual turnover of more than $200,000.

In the absence of an updated MSME database, the following sources of information were used to determine the number of businesses based on employee categories: the Department of Trade, Investment Promotion & Consumer Affairs database, BVISSB registrations,

Reopening Business Impact Survey, COVID-19 Business Impact Survey, and Workforce Assessment Survey – Labour Department. The number of MSMEs in the Virgin Islands was estimated at 3,571, *see Table 3-2.*

Table 3-2: Estimated number of Businesses in the Virgin Islands by Number of Employees

Business Type	Number of Employees	Estimated Number of Businesses
Micro & Small	Less than or equal to 10	3,312
Medium	11 - 20	259
Large	> 20	227
Total		3,798

Using the employee criterion only (that is less than 20 employees), 94 % of all enterprises could potentially apply to the programme. Under the turnover criterion (that is less a $200,000 annual turnover), 70 % of all enterprises could be deemed MSMEs therefore potentially eligible for the programme. However, **the majority of enterprises would fall outside of any groupings if BOTH criteria were used to categorise MSMEs**. Given the absence of a database containing comprehensive information on business turnover, the 'number of employees' criteria was used to define a MSME in this instance.

COVID-19 Impacted MSMEs

To determine an estimate for the number of MSMEs that were affected by COVID-19 and which could potentially apply to the programme, information from two data sources were used: Reopening Business Impact Survey and Workforce Assessment Survey – Labour Department.

Information on the numbers of non-operational businesses and those operating with less activity after the "soft" re-opening between 10 and 19 April, 2020, (2 weeks) - during which businesses (approved by Environmental Health) were open for a limited period of time - was

examined to determine the number of businesses that could potentially apply for assistance. This number was estimated at 2,717 MSMEs; *see Table 3-3*.

Table 3-3: Estimated Number of Impacted MSMEs

Business Type	Estimate Number of Impacted Businesses
Micro & Small	2,522
Medium	195
Total	**2,717**

For the purposes of this programme "loss in business revenue" as a measure of impact would result in a more targeted and equitable distribution of funds, with the greatest positive effect on the MSME sector and the overall economy.

Since the needs of the businesses would most definitely outstrip the value of the programme ($6.5 million), MSMEs could only receive a percentage of losses in the form of a grant. As part of the application process MSMEs were required to provide information on revenues and expenditures pre-COVID-19 and during the COVID-19 period to date.

This data was analysed and used to calculate a value loss figure which would then assist in determining the amount of funds granted to the business.

3.1.2 Accountability and Transparency Framework

By Extract Memo No. 211/2020 *(see Appendix 2 – Cabinet Decisions 9.2.1)*, Cabinet decided on 17 June, 2020, that a Committee be established consisting of representatives from the Premier's Office (Chair), the Ministry of Finance (Member), and the Department of Trade, Investment Promotion and Consumer Affairs (Member) with responsibility for structuring and administering the Small Business Sector Grant Programme.

Cabinet also decided that the Programme would be audited on a monthly basis by the Internal Auditor and that the report would be forwarded to the Cabinet by the Minister of Finance within one month after receipt.

By Extract Memo No. 267/2020 *(see Appendix 2 – Cabinet Decisions 9.2.2)*, Cabinet on 15 July, 2020, noted the application form, which was to be launched online for the collection of the relevant information and data required for the disbursement of the funds.

Further, by Extract Memo No. 343/2020 *(see Appendix 2 – Cabinet Decisions 9.2.3)*, Cabinet on 11 September, 2020, approved the list of businesses and corresponding grant amounts be distributed in accordance with Government's financial management policy procedures.

Eligibility and Application Process

a) Eligibility

The following eligibility requirements were proposed for qualification for the MSME Grant Programme.

MSME Businesses must:

1. have a valid trade license with all payments up to date. Businesses that are currently not up to date are required to do so by the end of the application deadline;
2. have 20 employees or less;
3. have commenced operations prior to January 31, 2020; and
4. be in operation now or planning to resume operation once the borders are open for visitors.

b) Application Process

MSME businesses were required to complete an application form and submit electronically. Applications were available on the Government's Website, and needed to be completed online.

Provisions were made for uploading supporting documents electronically.

Provisions were also be made through the Department of Trade Investment Promotion & Consumer Affairs to assist applicants who may have had difficulty completing an electronic application form or who did not have access to a computer or the internet.

Applicants were also be required to provide a brief statement outlining how the pandemic affected the business and also explain the proposed use of funds if granted.

The following supporting documents and information were also required and the Department of Trade Investment Promotion & Consumer Affairs could request additional information from applicants as necessary:

1. A copy of the valid trade licence for the applicable business;
2. Proof that the business has been in operation prior to January 31, 2020. It may be in the form of records of previous trade licences, and previous financial records;

   Proof that the business is in good standing with the following bodies:
   a. National Health Insurance: a copy of the good standing certificate or authorized payment plan from the NHI
   b. BVISSB: a copy of the good standing certificate or authorized payment plan from the BVISSB
   c. Inland Revenue Department: a copy of the good standing certificate or authorized payment plan from the IRD

3. Other supporting documents may include the following, where possible:
    a. Financials (Revenue & Expenditure)
    b. Evidence of payable accounts (such as invoices and unpaid bills)
    c. Human resources (staff complement)

c) Selection

The first step of the assessment of applications was the determination of eligibility.

Applicants at the beginning of the online application process were required to answer a series of eligibility questions. Only eligible applicants were allowed to proceed with the application.

At the close of the application process all eligible applicants were ranked based on:

1. the level of compliance regarding meeting statutory fee obligations; and
2. type of business ownership; and the value of the percentage difference between profit/loss pre-COVID-19 and during COVID-19.

For example, a MSME that met all statutory payments and had a greater percentage loss was rank higher than one that had not met its statutory payments or had not arranged a payment plan and has a smaller percentage loss.

Ranking was used to optimise the allocation of the grant based on fair and transparent criteria.

Suggested grant amounts were determined as outlined in *Section 3.1.1* above.

Although the process was automated the Committee, which was established by Cabinet, was allowed to review the list of selected beneficiaries for the grant and the grant allocation amount before submission to the Minister of Finance for final review and approval.

d) Monitoring and Evaluation

The Committee was also be responsible for monitoring and evaluation of the programme.

The programme was monitored and evaluated by collecting information through participant surveys, focus group discussions and interviews carried out periodically, during and after the implementation period.

The following output and outcome measures, shown in *Table 3-4*, would be utilised to assess the performance and impact of the programme. This information would also be useful in informing future policy interventions in the MSME sector.

Table 3-4: MSME Grant Output and Outcome Indicators

OUTPUT INDICATORS	OUTCOME INDICATORS
Number of businesses receiving grants through programme by sector and business type	Proportion of businesses receiving grant still in operation after six (6) months
$ value granted by business	Number of employees retained
$ value expenditure of funds by business and by expenditure category	% increase in revenue for businesses provided with grant
	% satisfied recipients with the MSME Grant Programme

The Department of Trade, Investment Promotion & Consumer Affairs would also review the supporting documents with the applications, and check the validity of the compliance information stated by the applicants.

e) Payments

Payments were made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense.

Payments in support of overheads, purchases, or debt repayments were made directly to suppliers and vendors on behalf of the business, subject to the submission of proforma invoices. Although, by Extract Memo No. 343/2020 *(see Appendix 2 – Cabinet Decisions 9.2.3)*, Cabinet on 11 September, 2020, decided that funds would be paid directly to the beneficiary business, once they sign a declaration agreement agreeing to what the funds can be spent on.

Statutory fees and taxes were paid through appropriate submission of vouchers and other cross governmental transactions, upon the receipt of official records. Salaries and wages were paid directly to the business upon the submission of official payroll records.

f) Queries and Grievances

Any business applicant who wished to query or lodge any grievance regarding the decision made on their application could do so by written correspondence addressed to Permanent Secretary Premier's Office.

Such written correspondence needed to be submitted to the Premier's Office within 14 days after receipt of the decision from the Committee regarding their business's application for the Small Business Sector Grant Programme.

The Committee was required to review the particulars and respond to the business applicant within 14 days of receipt of the query or grievance letter.

g) Financial Management Training for MSMEs

To ensure that MSMEs are given the greatest chance of success, information was gathered as part of the application process to determine the extent to which applicants have in place the fundamental business tools (business plans, financial and reporting infrastructure etc.), that are necessary for business success and for the development of entrepreneurial skills.

For those applicants who do not have the necessary business tools in place, provision was made for applicants to attend a one (1) day certificate training programme, aimed at sensitising applicants to the importance of these tools and providing general guidance, in the first instance, for their implementation, as well as to strengthen their entrepreneurial skills.

3.1.3 Summary of Disbursements

A total of 1,226 grants were awarded under the Micro Small and Medium Enterprise (MSME) Businesses Grant Programme, which amount to a sum of US$ $7,406,521. These were disbursed in two cohorts of 897 and 326 recipients respectively.

A total of 1,268 applications were received by the Trade Department based on the initial call for applications.

Some 166 applications were rejected for incomplete information such as lack of address, telephone and email contact, no trade license information, and name(s) of owner(s) not stated.

Rejected applications also included four "test" entries by officials in setting up and testing the online application system. There were also applications by businesses that qualified under other stimulus programmes such as pre-schools.

A total of 81 of the rejected applications were resubmitted and applicants were eventually successful in accessing the stimulus grant. Some 68 others were found to due to the applicants, businesses or business owners submitting multiple applications for the same business, duplicating applications in error, and such reasons. Ultimately only 17 of these applicants were declined, as most applicants were able to access the stimulus grant by virtue of one or more of their applications (for the same or different businesses), whether being an initial application or a resubmitted application, was successfully completed and processed.

A summary of the outcome of rejected applications is shown in *Figure 3-1*.

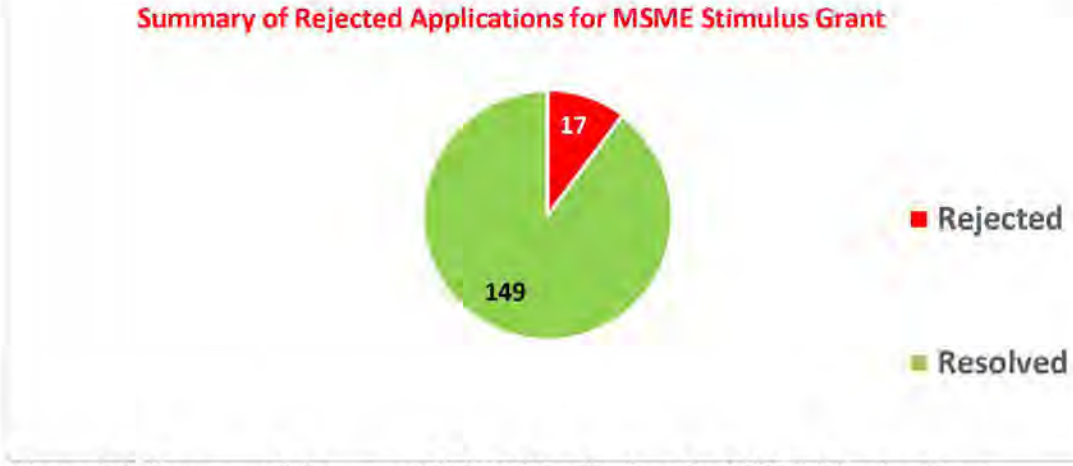


Figure 3-1: Summary of Outcome of Rejected Applications for MSME Stimulus Grant

Similarly, a total of 76 applications submitted were categorized as incomplete based on these lacking basic information or required documentation. Of this number, 40 of those businesses resubmitted applications that met the requirements and the applicants were successful in accessing the stimulus grant; see *Figure 3-2*.

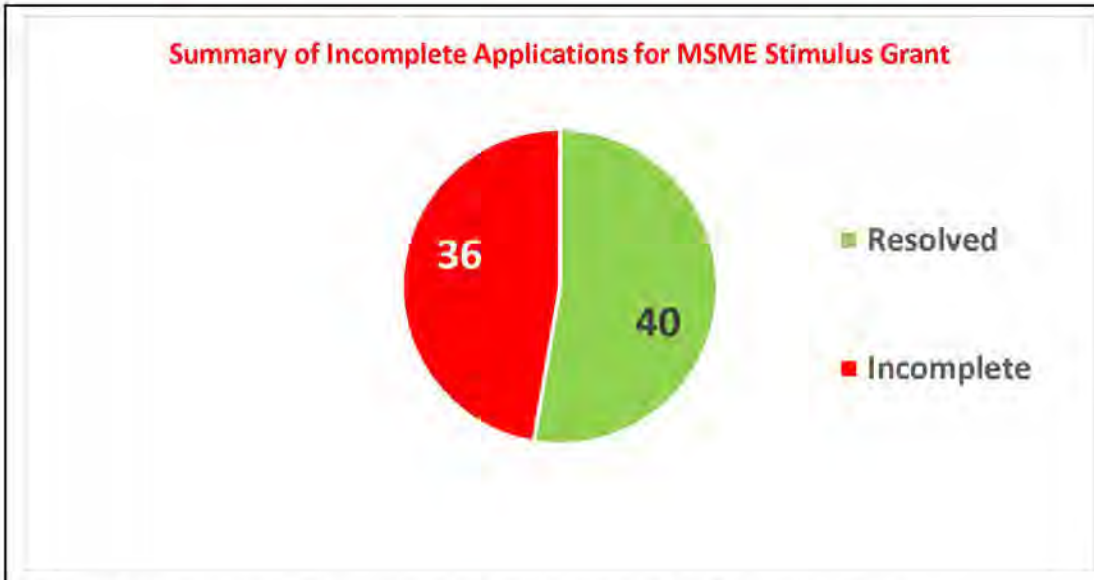


Figure 3-2: Summary of Incomplete Applications for MSME Stimulus Grant

During the application period, it was noted that due to COVID-19 restrictions at the time, applicants and potential applicants had considerable challenges in accessing the relevant

Government offices and other offices such as banks to obtain the required documents such as certificates of good standing.

Applicants and potential applicants who may have needed to make payment or remittances to update their standing also faced a number of challenges. For instance, opening hours for Government and private offices were limited. The number of persons allowed into buildings was restricted. Lockdowns and other restrictions and the general shut down or slow down of most sectors of the economy placed considerable constraints on most individuals' and businesses' income and cashflow positions. These factors would have presented serious barriers to individuals and businesses that were direly in need of support through the stimulus programme, and to achieving the objective of the programme which was to avert deep hardship by citizens and to avert catastrophic collapse and scarring of the domestic economy.

In light of these factors and the looming possibility of exponential deepening of the social hardships from the economic shock of the pandemic if the stimulus support did not reach those in need in sufficient time, it was deemed by the Ministry to be reasonable and just to waive some of the requirements such as certificates of good standing. Citizens were urged to ensure that they bring their accounts with the Statutory bodies up to being current.

It was further identified that there was a need to extend the stimulus programme to ameliorate the hardship on businesses that were unable to access the programme based on the earlier criteria or which could not be accommodated based on the initial budget of the allocation from the BVISSB grant.

Through the Ministry of Finance, approval was obtained from the BVISSB to vary the allocations under the various programmes, as mentioned in *Section 2.4* above.

It is to be noted that persons whose applications were incomplete for one reason or another got deferred while waiting on the applicants to complete their application. Due to the challenges in obtaining documentation based on the initial criteria, many persons did not get to submit their applications in time. They utilized the extension of the programme to come forward. Some persons filed fresh applications and their incomplete applications remained in the system as duplicates.

Ultimately, after disregarding duplicates and other such irregularities, only 17 applicants/owners/businesses were unable to obtain some measure of assistance under the various COVID-19 stimulus programmes. Hence, only 1.39% of total completed applications were declined; see *Figure 3-3*.

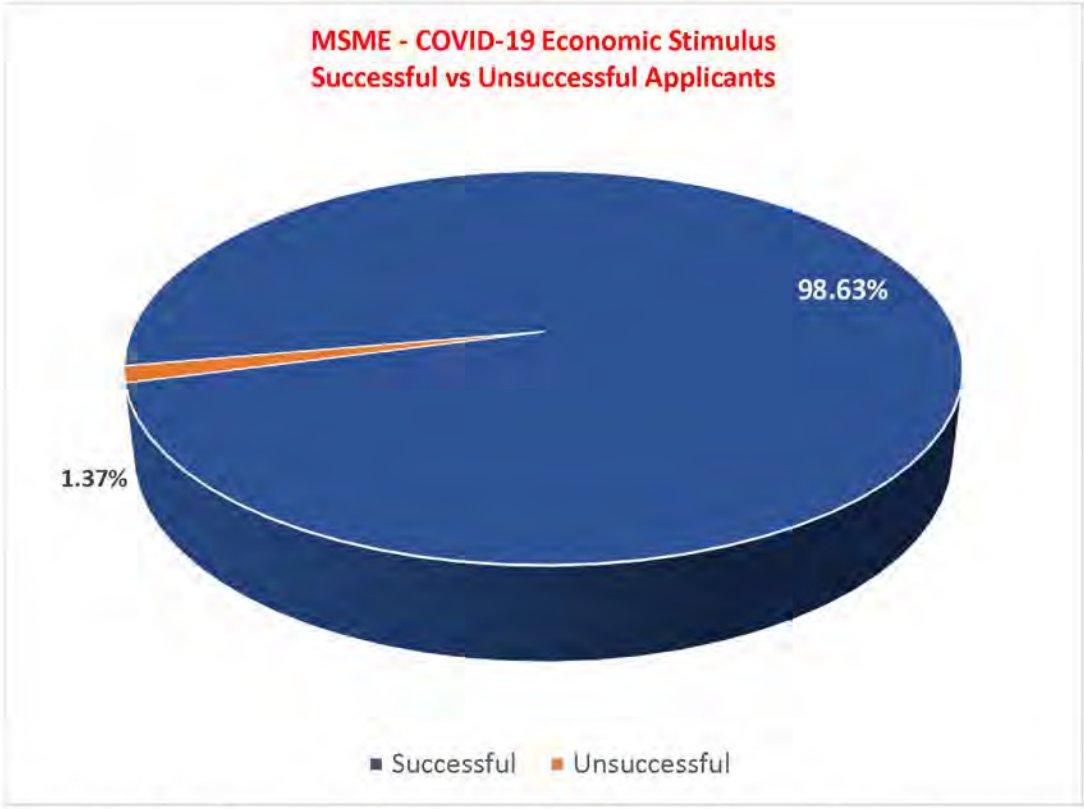


Figure 3-3: MSME Stimulus Grants - Successful vs Unsuccessful Applications

A summary of disbursements by District is provided in *Table 3-6*, *Figure 3-4* and *Figure 3-5*.

Table 3-5: Distribution of MSME Grants by District

District where Activity Located	No. of Recipients	Total Disbursements (US$)
District 1	82	494,722
District 2	137	820,825
District 3	104	641,072
District 4	346	2,118,877
District 5	83	504,266
District 6	125	728,563
District 7	66	399,278
District 8	99	583,805
District 9	184	1,115,113
Total	**1,226**	**7,406,521**

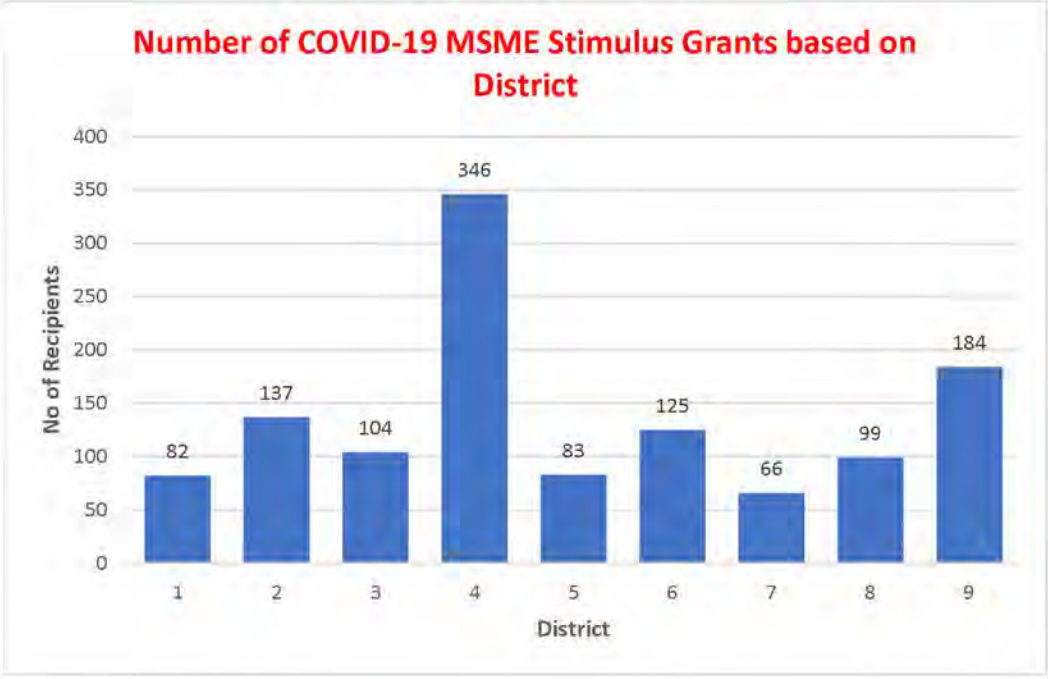


Figure 3-4: Total Number of MSME Stimulus Grants Issued by District

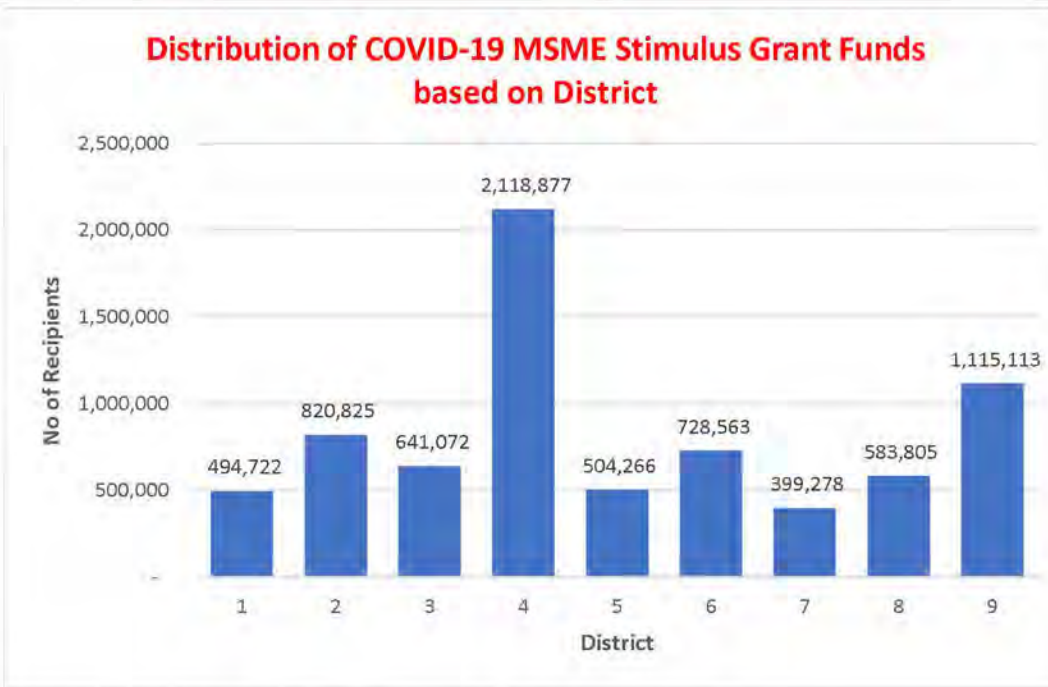


Figure 3-5: Distribution of MSME Stimulus Grants Issued by District

Awards ranged in value from $1,591 to $7,954 based on the assessment of the business; see *Table 3-6* and *Figure 3-6*. Most MSME's received $6,363. The mean of the awards was $6,041.

Table 3-6: Distribution of MSME Stimulus Grant based on Value of Award

Value of Award	No. of Recipients
1,591	46
3,181	8
4,772	143
6,363	980
7,954	49
Total	**1226**

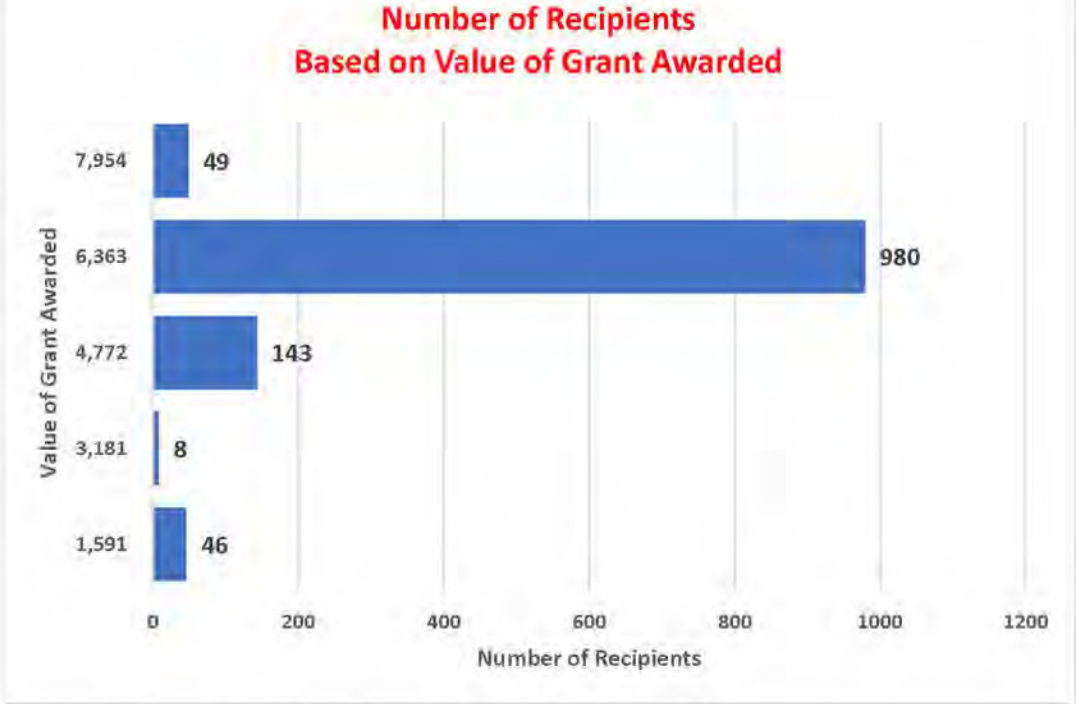


Figure 3-6: MSME Stimulus Grants based on Value of Awards

3.2 Economic Stimulus for Farmers and Fishermen

Consistent with the GoVI's COVID-19 Economic Response Plan (Phase II) released on 28 May, 2020, via Extract Memo 97/2020 of 27 May, 2020, Cabinet approved as part of its economic stimulus package, the Economic Stimulus – Farmers and Fishermen programme (Rapid Response Fishing and Farming Programme), in the amount of US$2 million dollars to stimulate the local Fishing and Farming sectors.

The funding programme would be used to:

1. Purchase the supplies, among other areas, necessary to get our fisherfolks back in the water;
2. Purchase the needed supplies to get our farmers back on their grounds; and
3. Ramp up production and provide the local market with the food necessary to sustain ourselves in the Virgin Islands economy.

Cabinet also instructed that a working group be established, to include officers from the Premier's Office, Minister of Education, Culture, Youth Affairs, Fisheries and Agriculture, Department of Agriculture and the Ministry of Finance, to provide the Cabinet of the Virgin Islands with recommendations for the effective implementation of the Rapid Response Fishing and Farming Programme, and monthly updates on the progress of implementation of the Rapid Response to Fishing and Farming Programme.

The working group was chaired by the Permanent Secretary, Premier's Office, and included:

1. The Permanent Secretary, Ministry of Education Culture Youth Affairs, Fisheries and Agriculture;
2. A Recording Secretary (Director of Communications);
3. A Representative of the Ministry of Finance;
4. The Director Department of Agriculture and Fisheries;
5. The Assistant Secretary, Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture;
6. The Deputy Secretary, Premier's Office;
7. A Farmer; and
8. A Fisherman.

By Extract Memo 179/2020 *(see Appendix 2 – Cabinet Decisions 9.2.6)*, Cabinet approved the criteria document to assess the eligibility of farmers and fishermen qualification for assistance through the COVID-19 Economic Stimulus Response US$2 million facility, the application form for the programme, and other documents to facilitate implementation of the

programme. The documentation included a Farmers and Fishermen Survey conducted by the Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture.

The main findings of the survey are listed below:

Farmers

1. Almost 86% of the respondents indicated that they were belongers. However, the data does not allow the distinction between persons who were born in this country from persons who have obtained belongers' status; *see Table 3-7*.

Table 3-7: Farmers by Residency Status

Residency Status	Frequency	Percent
Belonger	107	85.6
Resident status	15	12.0
Work permit holder	3	2.4
Total	125	100.0

2. 76% of the farmers farmed in Tortola and 13.6% performed this activity in Virgin Gorda; *see Table 3-8*.

Table 3-8: Farmers based on Island of Activity

Island of Activity	Frequency	Percent
Tortola	95	76.0
Virgin Gorda	17	13.6
Jost Van Dykes	2	1.6
Anegaga	11	8.8
Total	125	100.0

3. District 9 had the most farming activity with 22.4%. The 8th District followed with 19.2%. District 4 accommodated the least farming activity with 4.8% of the farmers.
4. 16.0% of the farmers covered in the survey received assistance from the government in 2018 or 2019.
5. The Farmers identified other sources of income (with 38.4%) as their main source of income. Some 34.4% indicated that their farming activities provided their main source of income. *See Table 3-9*.

Table 3-9: Farmers' Main Sources of Income

Main Source of Income	Frequency	Percent
Farming	43	34.4
Construction	5	4.0
Pension	12	9.6
Restaurant/Food Vending	8	6.4
Taxi driver	6	4.8
Other Sources	48	38.4
Not Stated Source	3	2.4
Total	125	100.0

6. Most immediate needs identified by farmers, ranked, were as follows:

   a. **Rank 1:**
      i. Fencing (27.2%)
      ii. Water tank (18.4%)
      iii. Land preparation (10.4%)

   b. **Rank 2:**
      i. Fencing (16.0%)
      ii. Fence posts (12.0%)
      iii. Irrigation material (12.0%)

   c. **Rank 3:**
      i. Irrigation material (15.2%)
      ii. Water tank (13.6%)
      iii. Fence posts (11.2%)

7. Farmers were also surveyed on the challenges they face. The results were as follows in *Table 3-10*. Fencing (27.2%), Water tank (18.4%) and land preparation (10.4%) were ranked as the most immediate needs for farmers in the performance of their activity.

Table 3-10: Challenges facing Farmers

Challenge	Yes (%)	No (%)
Water supply	68.8	31.2
Theft	20.0	80.0
Access to Suppliers / Import Costs	32.0	68.9
Lack of Land	28.8	71.2
Access to Seeds / Seedlings	40.0	60.0
Poor Soil	30.4	69.6
Difficult Terrain	22.4	77.6
Plant Pests and Diseases	27.2	72.8
Invasion by Stray Livestock	30.4	69.6
Inability to Secure Animal Feed for Livestock	20.8	79.2
Animal Diseases and Parasites	8.8	91.2
Adequate Breeding Stock	12.0	88.0
Containing Livestock	15.2	84.8

Fishermen

1. Just under 86% of the fishermen were belongers. However, the data does not allow for the distinction between persons who were born in this country from persons who have obtained belongers' status; *see Table 3-11.*

Table 3-11: Fishermen by Residency Status

Residency Status	Frequency	Percent
Belonger	53	85.5
Resident status	7	11.3
Work permit holder	2	3.2
Total	62	100.0

2. 64.5% of the fishermen hailed from Tortola, 21.0% were from Virgin Gorda; *see Table 3-12.*

Table 3-12: Fishermen based on Island of Activity

Island of Activity	Frequency	Percent
Tortola	40	64.5
Virgin Gorda	5	8.1
Jost Van Dykes	4	6.5
Anegaga	13	21.0
Total	62	100.0

3. Most of the fishing activity happened in the 9th District with 27.4%. District 2 followed with 24.2% of the fishermen. This contrasts with a mere 1.6% of fishermen conducting this activity in the districts 6 and 7.
4. 16.1% of the fishermen covered in the survey received assistance from the government in 2018 or 2019.
5. Fishing was overwhelmingly the main source of income for fishermen with 71.0%, suggesting that fishing is the only source of income for most fishermen. *See Table 3-13.*

Table 3-13: Fishermen's Main Sources of Income

Main Source of Income	Frequency	Percent
Farming	1	1.6
Fishing	44	71.0
Construction	1	1.6
Pension	3	4.8
Restaurant/Food Vending	1	1.6
Other Sources	11	17.7
Not Stated Source	1	1.6
Total	62	100.0

6. Most immediate needs identified by fishermen, ranked, were as follows:
    a. **Rank 1:**
        i. Engine (43.5%)
        ii. Repair of vessel or engines (22.6%)
        iii. Fishing equipment (eg. fishing line, hooks etc.) (22.6%)
    b. **Rank 2:**
        i. Fishing equipment (eg. fishing line, hooks etc.) (25.8%)
        ii. Navigation equipment (eg. GPS/chart plotter/ fish finder) (24.2%)
        iii. Fuel (11.3%)
    c. **Rank 3:**
        i. Fishing equipment (eg. fishing line, hooks etc.) (19.4%)
7. Fishermen were also surveyed on the challenges they face. The results were as follows in *Table 3-14.* Vessel / Engine / Vessel and Engine Repair and Maintenance (80.6%), Fuel Prices (46.8%) and Lack of Landing Site for Fish / BVI Fishing Complex (45.2%) were ranked as the most immediate needs for farmers in the

performance of their activity. Other areas such as Vessel Storage, Fish Storage and Marketing / Sale of catch were also significant issues.

Table 3-14: Challenges facing Fishermen

Challenge	Yes (%)	No (%)
Fuel Prices	46.8	53.2
Vessel / Engine / Vessel and Engine Repair and Maintenance	80.6	19.4
Fish Stock Depletion	9.7	90.3
Lack of Landing Site for Fish / BVI Fishing Complex	45.2	54.8
Vessel Storage	19.4	80.6
Fish Storage	30.6	69.4
Marketing/ Sale of Produce / Meat / Fish	30.6	69.4

3.2.1 Qualifying criteria

3.2.1.1 Farmers

Farmers must:

a) be registered with the Department of Agriculture and Fisheries; or

b) provide a notarized letter of referral from a fit and proper person verifying that you have been engaged in farming for the past three years if not registered with the Department of Agriculture and Fisheries.

c) depend on farming as a source of income;

d) be engaged in commercial agriculture as defined in *Table 3-15*; or have been engaged in commercial agriculture within the past three years; or

e) provide sufficient information of your engagement in commercial agriculture within the past three years in a manner not covered in *Table 3-15* for consideration for approval by the Minister of Agriculture.

Table 3-15: Scale of Commercial Agriculture in the Virgin Islands

FARM TYPE	SMALL	MEDIUM	LARGE
Broiler	50-500	>500	>1,000
Layer	50-500	>500	>1,000
Duck	50-500	>500	>1,000
Sheep	10 Ewes	11-25 Ewes	>25 Ewes
Goat	10 Does	11-25 Does	>25 Does
Cattle	5 Cows	6-20 Cows	>20 Cows
Pig	5 Sows	6-15 Sows	>15 Sows
Rabbit	20 Does	21-50 Does	>50 Does
Crop	10890–21780sq.ft.	21781- 43560sq.ft.	>43560sq.ft.

Any level of agriculture below small commercial was considered as backyard farming.

Farmers who did not meet the criteria as stipulated for commercial farming could not benefit from the stimulus package.

3.2.1.2 Fishermen

Fishermen must:

a) have been an existing licenced commercial fisher as defined under the Virgin Islands Fisheries Act, 1997 and Regulations 2003; or

b) have held a commercial fishing licence within the past three years; or

c) have provided a notarized letter of referral from a fit and proper person verifying that the fisherman has been engaged in fishing for the past three years if he or she did not have an existing commercial fishing licence.

3.2.2 Accountability and Transparency Framework

By Extract Memo No. 179/2020, Cabinet decided on 27 May, 2020, Cabinet decided that the Programme would be audited on a monthly basis by the Internal Auditor and that the report would be forwarded to the Cabinet by the Minister of Finance within one month after receipt.

Implementation Process

a) Application Process

Farmers and Fishermen were required to complete and submit application form to the Permanent Secretary, Premier's Office.

Applications were made available on the Government Website or emailed to applicant upon request. Applications were also able to collect hard copies from the Ministry of Education; the District Offices on Virgin Gorda, Anegada; and Jost Van Dyke; the Sister Islands Coordinator; the District Representatives; Territorial At Large Representatives; or the Premier's Office.

Farmers or Fishermen who did not have access to a computer or the internet could access assistance from their District Representative or District Officer, Sister Islands Coordinator; Territorial At Large Representatives; or the Premier's Office, where staff could help with completion and submission of the application form.

Persons could also access assistance over the telephone with completing the application by Premier's Office Staff.

b) Documentation required for submission with Application

i. Completed application form

ii. Proof of Status (Virgin Islander, Belonger, Resident or Naturalised Citizen)

iii. Estimate of materials, works to be done, or equipment required with photos where possible

iv. Copy of Trade License or Fishing License or the notarized letter verifying engagement in farming or fishing for the past three years.

c) Assessment Process

Each applicant who satisfied the criteria, prior to approval by the Premier's Office, were assessed and verified by the Department of Agriculture and Fisheries or any other entity vetted and approved by the Premier Office.

Each applicant who satisfied the criteria and who requested repairs to physical structures, among other works were to be assessed by Public Works Department or a licenced contractor or quantity surveyor vetted and approved by the Premier's Office, who would further determine the needs and costs to repair structure, cut access roads to farm lands or any other works or material or resources that maybe required.

d) Payments

Payments were processed by the Premier's Office from Head 22204090 Subhead 561100 Assistance to Farmers/Fishermen.

Payments were made directly to suppliers and contractors on behalf of the farmer or fisherman subject to the submission of proforma invoices.

Payment of labour cost for repairs and other approved works were required to be verified by Public Works Department or the Ministry of Finance Project Unit before payment was be processed.

Photos of completed works before, during and after were be required as proof of works completed to assist in the verification for payments.

The basic formula applied was $13,500 for small farmers and $22,500 for large scale farmers; and $9,000 for regular fishermen, $15,000 for small commercial fishermen and $20,000 for large commercial fishermen. In some special situations these amounts were varied based on greater or lesser need.

Approval of amounts that exceeded $15,000.00 required the signature of the Minister of Finance before vouchers were processed.

e) Considerations for Exceptional Cases

Upon initialisation of the online application process, and in spite of the provisions to assist persons in completing their applications, as mentioned in a) above, it was discovered that some farmers and fishermen still faced challenges as follows:

i. Most of the seniors who do not listen to radio or may not have computer or internet missed the opportunity to apply for the well needed stimulus grant.

ii. Some seniors and those who cannot read had difficulties in the preparation and submission of the application form.

iii. Many Farmers and Fishermen lack the necessary apparatus which were required to applied for the funding via electronic medium.

iv. Many of the Farmers are small businesses who over the years have not been encouraged to put necessary accounting, bookkeeping, and proper business procedures in place, they have what is called a cash business. This made for their inability to comply with the arduous process that was required for processing for a grant. As a result, it was agreed for all the elected representatives to reach out in their various distracts to get aid to many of the Farmers and Fisher folks.

v. Many Farmers and Fishermen do not have social media platform or Facebook accounts, so many times the information did not reach them, therefore, it was imperative to employ a process to reach as many of the intended audience as possible. As this group is a vulnerable part of the population socially.

The Committee, therefore, felt it necessary, where such cases were identified, to give additional consideration to those Farmers and Fisher folk who may have been unable to submit their applications before the stipulated deadline or who may not have been

able to provide all the stipulated documentation. Such individuals included persons who were widely known in the community to be long standing Farmers and Fisher folk, and whose status could be supported by other documentation such as testimonials from persons of high repute in their communities.

3.2.3 Summary of Disbursements

A total of 408 grant awards were distributed to farmers and fishermen across the nine Districts under the COVID-19 Economic Stimulus for Farmers and Fishermen Programme.

The funds totalled $5,102,000 and were distributed as shown in *Table 3-16*.

Table 3-16: Distribution of Grants under the COVID-19 Economic Stimulus for Farmers and Fishermen Programme

Programme	No of Recipients	Total of Grants Disbursed USD$
Farmers	201	2,881,500
Fishermen	207	2,220,500
Total	**408**	**5,102,000**

3.2.3.1 Farmers

A total of 201 grant awards were distributed to farmers across the nine Districts so far. Of the recommendations coming forward, 240 grants, totalling $2,841,500, were based on the recommendations of the Committee, and five, totalling $80,000, were awarded based on the recommendation of the Premier and Minister of Finance. Awards to farmers under the grant totalled $2,881,500; *see Table 3-17*.

Table 3-17: Distribution of Grants to Farmers by District

District where Activity Located	No of Recipients	Total of Grants Disbursed USD$
District 1	38	558,000
District 2	41	571,500
District 3	12	166,500
District 4	5	67,500
District 5	21	301,500
District 6	13	184,500
District 7	27	409,500
District 8	16	225,000
District 9	28	397,500
Total	**201**	**2,881,500**

The distribution of the grants for farming by Districts is also illustrated in *Figure 3-7* and *Figure 3-8*.

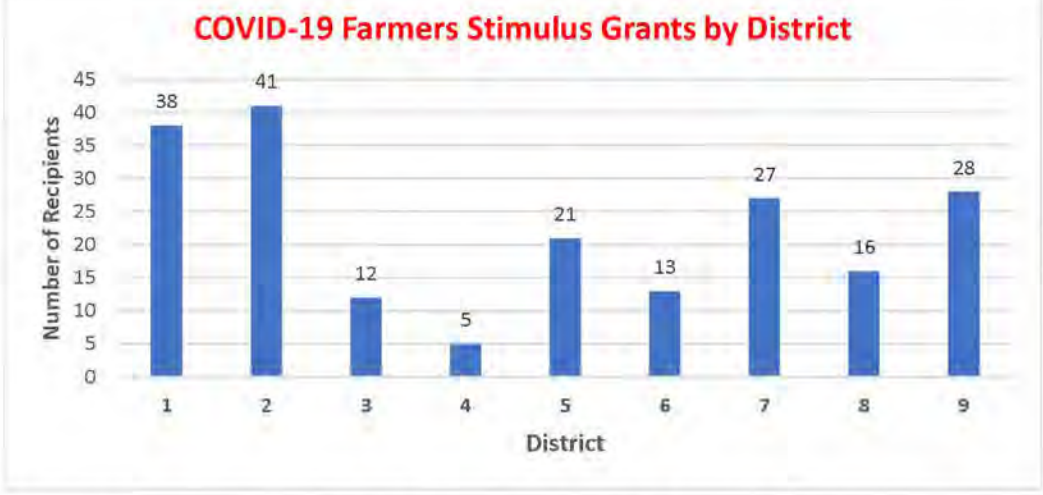


Figure 3-7: Distribution of COVID-19 Stimulus Grants to Farmers by District

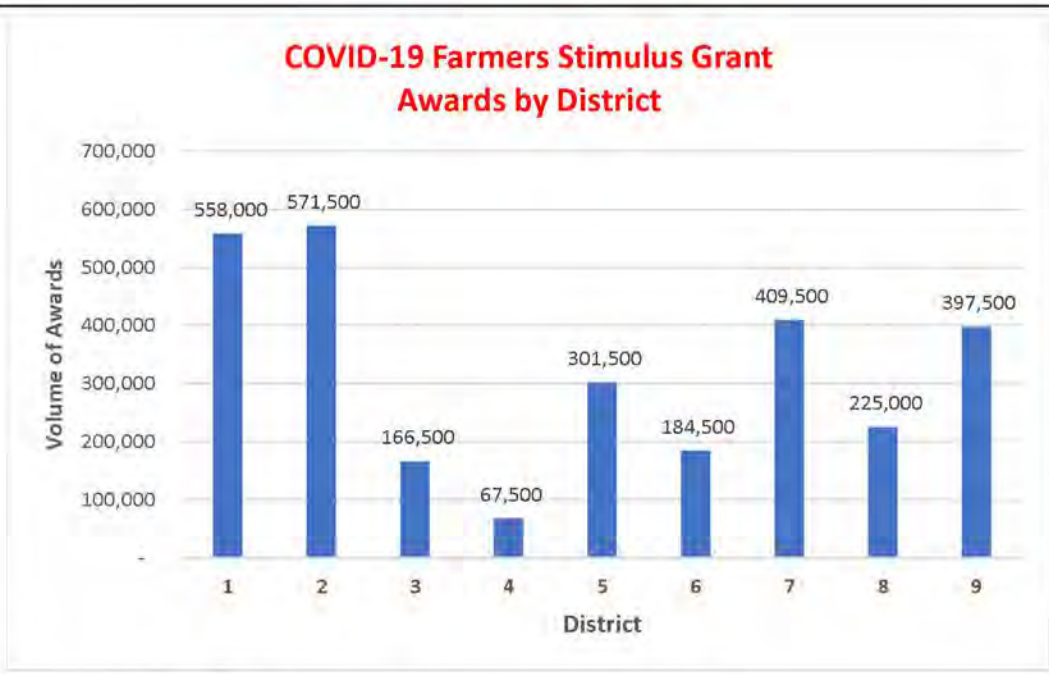


Figure 3-8: COVID-19 Farmers Stimulus Grant Awards by District

A comparison of the farmers' grant distribution with the results of the Farmers and Fishermen Survey is shown in *Figure 3-9*.

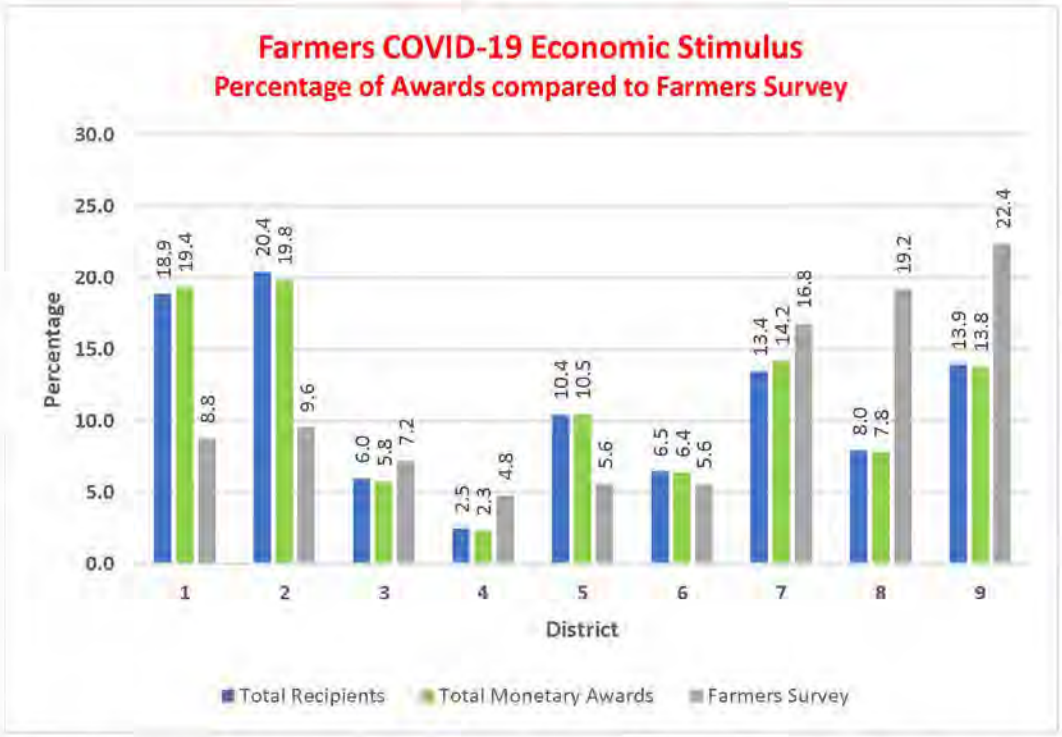


Figure 3-9: COVID-19 Farmers Stimulus Grant Awards Comparison with Farmers and Fishermen Survey

It should be noted that the data gleaned from the Farmers and Fishermen Survey would have only reflected responses from participants who were accessible or available during the data collection window, and not all farmers and fishermen in the respective Districts.

Awards ranged in value from $9,000 to $22,500 based on the assessment of the farmer' application; see *Table 3-6* and *Figure 3-6*. Most farmers received $13,500. The mean of the awards was $14,336.

Table 3-18: Distribution of Farmers Stimulus Grant based on Value of Award

Value of Award	No. of Recipients
9,000	1
13,500	180
15,000	1
22,5000	19
Total	**201**

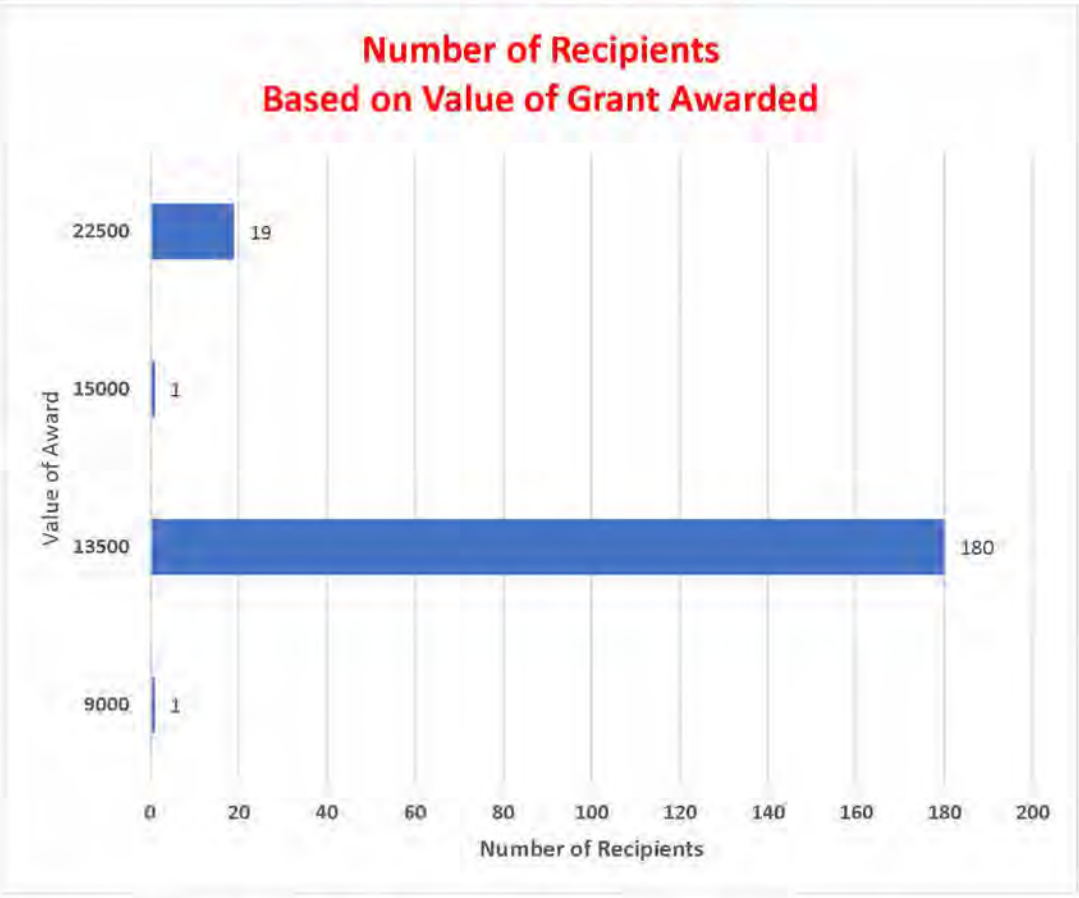


Figure 3-10: COVID-19 Farmers Stimulus Grants based on Value of Awards

For a combination of reasons including timing of releases and availability of funds, a total of 50 farmers across various Districts who were on the approved list for grants were unable to be paid grants under the programme. An additional $845,500 would be required to provide economic stimulus to these farmers.

3.2.3.2 Fishermen

A total of 207 grant awards were distributed to fishermen across the nine Districts based on the recommendations of the Committee. Awards to fishermen under the grant totalled $2,220,500; *see Table 3-19*.

Table 3-19: Distribution of Grants to Fishermen by District

District where Activity Located	No of Recipients	Total of Grants Disbursed USD$
District 1	53	613,500
District 2	16	245,000
District 3	9	81,000
District 4	5	45,000
District 5	8	72,000
District 6	7	74,000
District 7	10	90,000
District 8	23	250,000
District 9	76	750,000
Total	**207**	**2,220,500**

The distribution of the grants for fishermen by Districts is also illustrated in *Figure 3-11* and *Figure 3-12*.

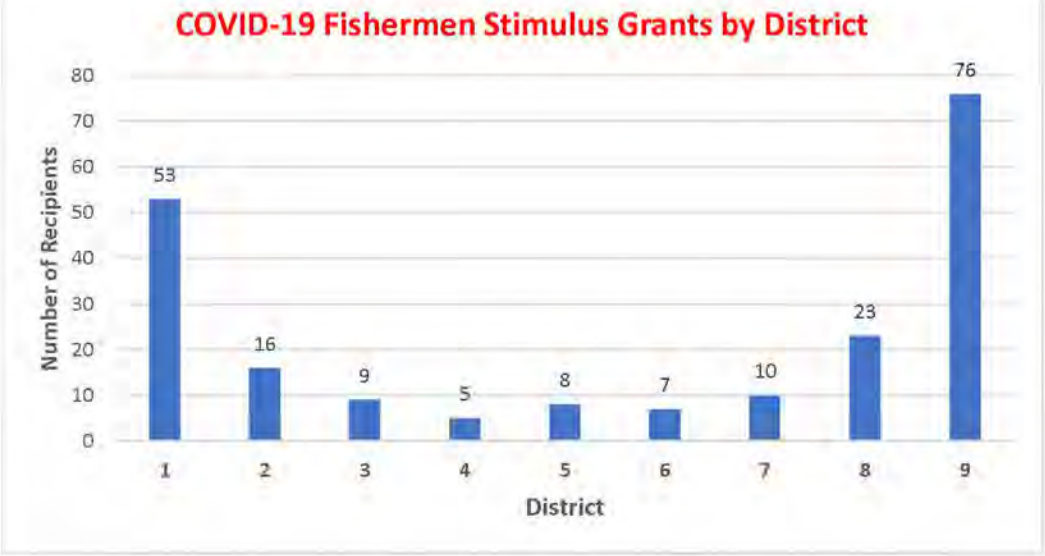


Figure 3-11: Distribution of COVID-19 Stimulus Grants to Farmers by District

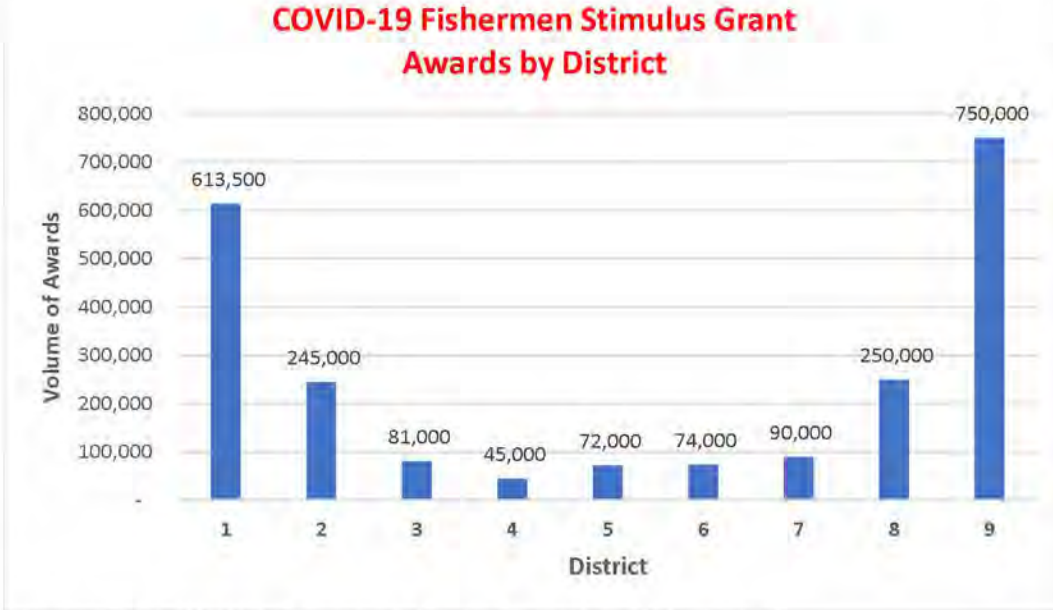


Figure 3-12: COVID-19 Farmers Stimulus Grant Awards by District

A comparison of the fishermen's grant distribution with the results of the Farmers and Fishermen Survey is shown in *Figure 3-13*.

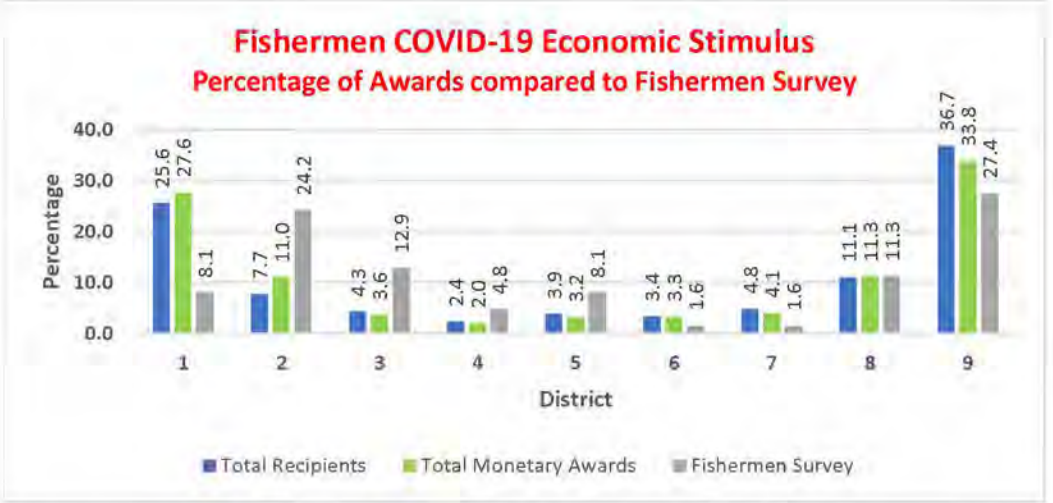


Figure 3-13: COVID-19 Fishermen Stimulus Grant Awards Comparison with Farmers and Fishermen Survey

It should be noted that the data gleaned from the Farmers and Fishermen Survey would have only reflected responses from participants who were accessible or available during the data collection window, and not all farmers and fishermen in the respective Districts.

Awards ranged in value from $9,000 to $22,500 based on the assessment of the business; see *Table 3-20* and *Figure 3-14*. Most fishermen received $9,000. The mean of the awards was $10,727.

Table 3-20: Distribution of Fishermen Stimulus Grant based on Value of Award

Value of Award	No. of Recipients
9,000	65
11,000	1
12,000	1
15,000	18
20,000	21
22,500	1
Total	**207**

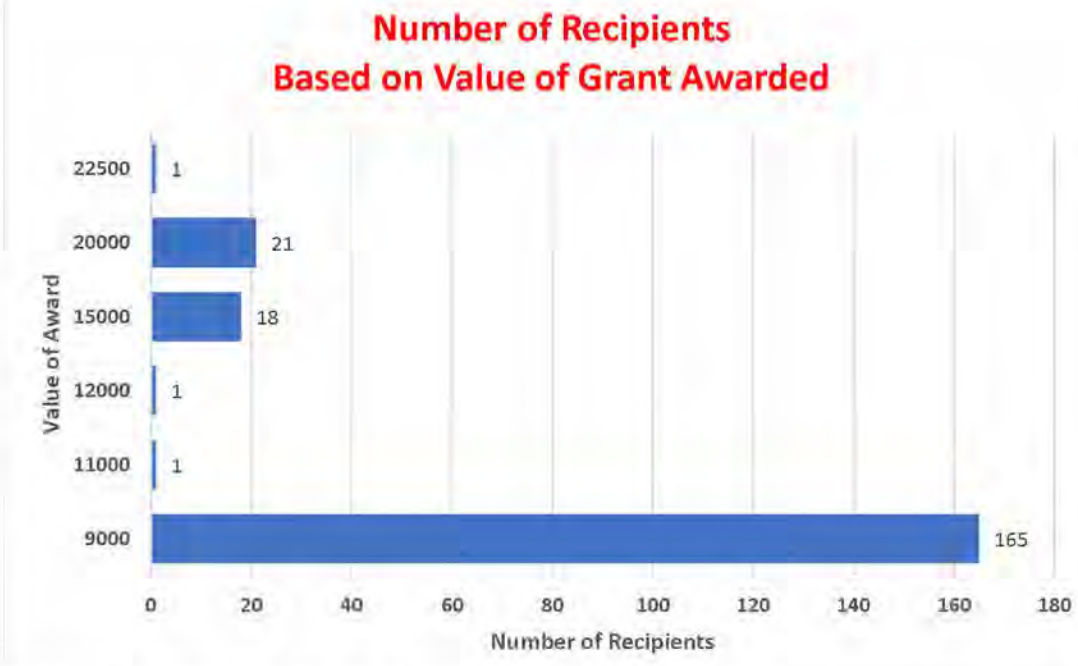


Figure 3-14: Fishermen Stimulus Grants based on Value of Awards

For a combination of reasons including timing of releases and availability of funds, a total of 52 fishermen across various Districts were unable to be paid grants under the programme. An additional $550,000 would be required to provide economic stimulus to these fishermen.

3.3 Churches, Daycares and Private Schools

In response to the negative impact experienced by small businesses, the GoVI included as part of its Economic Response Plan (Phase ll) released on May 28, 2020, the dedication of funds to assist Daycares, Pre-schools, Private Schools, Churches and Religious Organizations.

These funds were allocated to assist Day Cares, Pre-schools, Private Schools, Churches and Religious Organizations in meeting their operational expenditure, while stimulating economic activity by facilitating the circulating of money within the Territory.

Cabinet approved the Economic Stimulus for Daycares, Pre-schools, Private Schools, Churches and Religious Organizations Grant Programme via Extract Memo No. 236/2020 on 8 July, 2020 *(see Appendix 2 – Cabinet Decisions 9.2.4)*, in the amount of $1 million funded through a grant from the BVISSB.

By the same Extract Memo, Cabinet decided that a Committee would be established consisting of representatives from the Permanent Secretary in the Premier's Office or designate (Chair); the Financial Secretary or designate (Member); the Permanent Secretary in the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture or designate (Member); and Director of Communication or designate, with responsibility for structuring and administering the Grant Programme.

3.3.1 Qualifying criteria

In keeping with the Minister of Finance and the GoVI's intended purpose, a simple process was used to reach the intended target audience.

The Ministry of Health, Registrar for Not-for-Profits compiled a complete listing of all Churches and Religious Organizations from the Ministry of Education, Permanent Secretary. An updated listing of the Pre-Schools and Daycare Centers was also compiled.

A survey questionnaire for churches and religious organizations was posted on the Government's website and hardcopies made available from 28 July, 2020. The questionnaire requested supporting documents to be provided. Assistance in completing the questionnaire was provided where needed by the Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture. The original deadline of 3 August, 2020, for the survey was extended due to the Festival holidays and a slow initial response rate, until 17 August, 2020.

Churches were required to have applied for renewal of registration as a non-profit organization (NPO) in accordance with the provisions of the Non-Profit Organisation Act, 2012, or have a current NPO certificate, and have been in existence prior to 31 January, 2020 and now reopened.

Based on the types of question asked and the documents requested, the Committee recommended that a separate application process for churches and religious organizations would not be necessary for the purpose of administering this aspect of the stimulus programme.

In keeping with the already established criterion that was set out by the established committee. the formula shown in *Table 3-21* below was applied to churches.

Table 3-21: Allocation by Membership for Churches

Membership	Allocation
1-9	$7,000
10-30	$10,000
31-50	$15,000
51 and up	$20,000

Day Cares, pre-schools and private schools were required to have a valid trade license with all payments up to date, or to become up to date if applicable, and have commenced operations prior to 31 January, 2020 and now reopened.

Assessment of the amount of the grant to be paid to each day care, pre-school and private school was based on consideration of a number of factors including the number of students and staff.

3.3.2 Accountability and Transparency Framework

Via Extract Memo No. 236/2020 on 8 July, 2020 *(see Appendix 2 – Cabinet Decisions 9.2.4)*, Cabinet decided that the Programme would be audited on a monthly basis by the Internal Auditor and that the report would be forwarded to the Cabinet by the Minister of Finance within one month after receipt.

Recipients were required to sign a declaration stating that the funds would be used for their intended purpose only; see samples in *Appendix 4 – Declarations by Grant Recipients.*

3.3.3 Summary of Disbursements

The total of $2,337,818 in grants was distributed to churches, religious organizations, pre-schools and Day Cares, as shown in *Table 3-22*.

Table 3-22: Summary of Disbursements to Churches, Religious Organizations, Preschools and Daycare Centres

Grant Recipients	No. of Recipients	Total Disbursed
Churches	81	1,370,000
Religious Groups	11	55,000
Day Cares and Pre-Schools	32	912,818
Total	**124**	**$2,337,818**

3.3.3.1 Churches, Church Groups and Religious Organizations

Based on the criteria in *Table 3-21*, disbursements were made to 81 churches, totalling $1,396,423[38]. A summary of the disbursements is shown in *Table 3-23*. The minimum grant was $7,000 and the maximum amount awarded was $26,423. The average of the grants was $17,030. Some 50 churches received $20,000 each.

Table 3-23: Summary of COVID-19 Stimulus Disbursements to Churches

Membership	Allocation	No. of Churches	Total Disbursed US$
1-9	$7,000	5	35,000
10-30	$10,000	11	110,000
31-50	$15,000	15	225,000
51 and up	$20,000	50	1,000,000
Total		**81**	**$1,623,000**

Additionally, a total of 11 church groups received grants of $5,000 each, totalling $55,000.

3.3.3.2 Day Cares and Pre-Schools

Some 33 day cares, pre-schools and private school received a total of $912,818 in grant funding under the programme; see *Table 3-24*. The minimum amount received by a day care or school was $15,000, and the maximum amount paid under the grant was $37,615. The average of the grants to day cares and schools was $28,526.

[38] Initially, several churches had indicated their preference to decline the stimulus assistance. As such some cheques were returned. However, some of those churches later indicated a change of mind. Some cheques were returned. Where cheques were already reversed, new cheques had to be issued. Hence, these figures may be subject to adjustment in the future after these changes are resolved and processed. Additionally, the JD Edwards reflects 10 payments that were returned for corrections and at the time of the report, these were not re-issued.

Table 3-24: Summary of COVID-19 Stimulus Disbursements to Day Cares and Pre-Schools

Allocation	No. of Day Cares	Total Disbursed US$
15,000 -19,999	1	15,000
20,000 - 24,999	9	189,762
25,000 - 29,999	9	253,716
30,000 - 34,999	10	343,931
35,000 - 40,000	3	110,409
Total	**32**	**912,818**

This data is also shown in *Figure 3-15*.

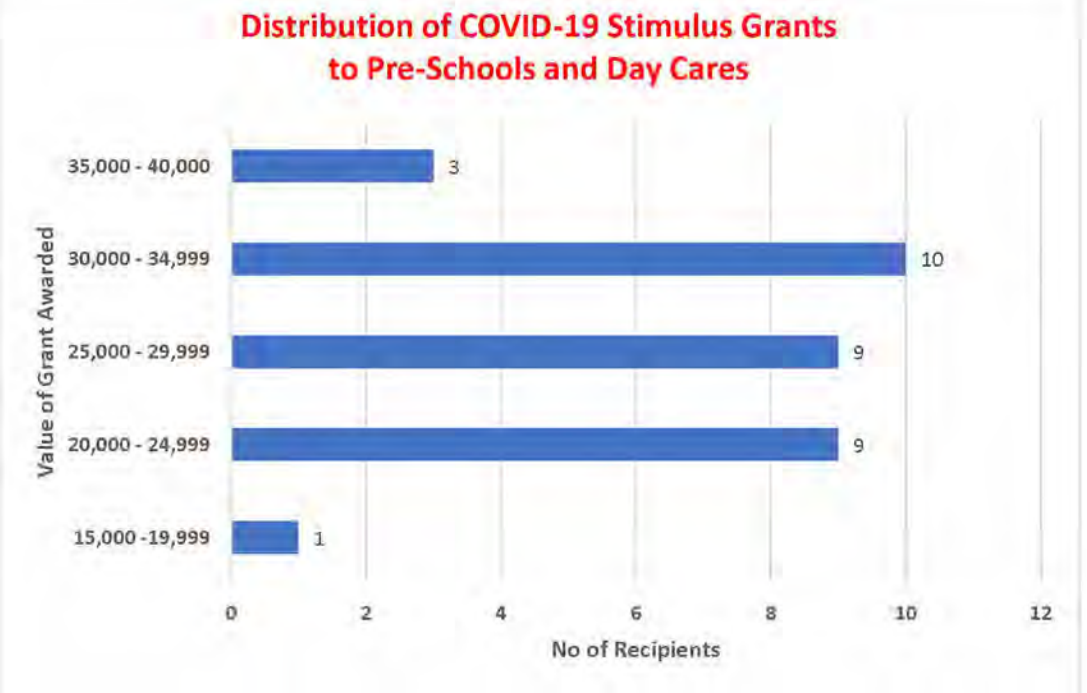


Figure 3-15: Distribution of COVID-19 Stimulus Grants to Pre-Schools and Day Cares

3.4 COVID-19 Transportation Stimulus Package

Consistent with the decision made by the Cabinet at the Special meeting on 27th May, 2020, and the GoVI's COVID-19 Economic Response Plan (Phase II) released on 28 May, 2020, and in response to the negative impact experienced by citizens in the transportation sector, Cabinet decided, via Extract Memo No. 175/2020 on 27 May, 2020 (see Appendix 2 – Cabinet Decisions 7.2.7), on the allocation of $900,000 to support the City Transportation Programme Initiative in Road Town (as a result of the redirecting of the traffic initiative in the Road Town area in June 2020), which includes a shuttle service from the Festival Grounds and, quarantine bus service for returning Nationals and Residents.

The package also includes Transportation Expenses incurred for the new transportation initiatives on or to the other sister islands of Virgin Gorda, Anegada and Jost Van Dyke, as well as the hiring of any personnel and purchasing of materials that will be required to allow for the fluent, accountable and transparent functioning of this initiative.

The sum of $90,000 was also allocated to facilitate the purchase of two (2) electric shuttle buses as the economy continues to reopen for greater economic recovery in the longer term.

Funding for this package was sourced through a grant from the BVISSB.

It was envisaged that by providing services in the transportation programme taxi drivers who would participate in the programme would be able to access economic relief during COVID-19 while at the same time and in return providing a much-needed service – transporting visitors and returning nationals to approved quarantine locations. Approximately 50 taxi operators, it was envisaged, would benefit from the programme. They would be rotated on a monthly basis and would be paid a maximum of $2,000 per month.

The City Transportation Programme aims to ease the congestion and strain on infrastructure in the Capital of Road Town, while fostering a more pedestrian-friendly town. Traffic wardens were engaged to assist in the smooth transition of the transition of the traffic flow in the Capital of Road Town. This allowed traffic wardens to have an opportunity to earn some income to assist their families during the pandemic when the economy was slow.

A 90-day budget for the programme is shown in *Appendix 2 – Cabinet Decisions 7.2.8*.

3.4.1 Accountability and Transparency Framework

By Memo 175/2020, Cabinet approved that the COVID-19 Transportation Stimulus Package would be administered by a coordinating committee that includes:

1. The Permanent Secretary, Premier's Office (or designate);
2. The Permanent Secretary, Ministry of Transportation and Works (or designate);
3. Chairman of the Taxi and Livery Commission;

4. The Director of Trade, Investment Promotions and Consumer Affairs (or designate); and
5. The Director of Tourism (or designate).

The Committee was co-chaired by the Permanent Secretary in the Premier's Office and the Chairman of the Taxi and Livery Commission. The Committee was also responsible for establishing guidelines for administration and monitoring of the programme, taking into account all COVID-19 protocols among other measures for safety, transparency and accountability.

Cabinet also decided that the Premier's Office would request the Internal Audit Department to conduct monthly audits of the programme and submit monthly reports to Cabinet.

3.4.2 Summary of Disbursements

A total of $551,743.22 was disbursed under the Transportation Stimulus Package during the period July – December 2020. This covered the Park and Ride Taxi Programme, Quarantine Services, Traffic Warden Programme and Miscellaneous costs. A summary of these expenditures is shown in *Table 3-25*.

Table 3-25: Summary of Expenses for the COVID-19 Transportation Stimulus Package for July 2020 – May 2021

Programme	Expenditure (July-December, 2020) US$
Park and Ride Taxi Programme	304,769
Services Provided for Quarantine	875,800
Traffic Warden Programme	30,505
Electric Vehicle Purchase	41,519
Miscellaneous	48,569
Total	**1,301,162**

3.4.2.1 Park and Ride Taxi Programme

A total of 105 taxi operators gained employment opportunities in the Park and Ride Taxi Programme during the period July 2020 – May, 2021 Based on their level of participation, individuals earned between a low of $400 and a high of $5,700 over the period. The mean remuneration over the period earned was $2,903 and the mean monthly earning for a participant was $718.

A monthly breakdown of the remuneration paid over the period is shown in *Table 3-26*.

Table 3-26: Summary of Expenses for the Park and Ride Taxi Programme for July – December 2020

Month	Monthly Total	No of Persons Engaged	Minimum Remuneration US$	Maximum Remuneration US$	Average Remuneration
July 2020	18,000	24	750	750	750
August 2020	56,025	71	75	1,050	789
September 2020	2,925	4	675	750	731
October 2020	42,375	68	150	750	623
November 2020	34,300	47	400	750	730
December 2020	31,500	44	150	750	716
January 2021	44,700	69	150	750	648
February 2021	30,750	41	750	750	750
March 2021					
April 2021	41,194	55	694	750	749
May 2021	3,000	4	750	750	750
Total	**304,769**				

3.4.2.2 Quarantine Services

The quarantine transportation programme was essential to the success of the Territory's strategy for reopening of international borders and the rebooting of the tourism industry, which is one of its economic engines. Under this programme, which ran from December 2020 to May 2021, travellers entering the Territory who were required to be quarantined needed to be transported to their approved quarantine location by an approved transportation vehicle – which included taxis for land transport and boat for sea transport where persons were staying on Sister Islands, depending on the location of the quarantine accommodation.

The level of need in this area was uncertain as this depended on how many persons opted to travel into the Territory on any given day.

GoVI opted to cover these transportation costs, which provided income to approved transportation operators, to ease the cost of coming into the Territory, whether for returning nationals or vacationers who were essential to bringing business to tourism service providers such as hotels, guest houses, villas, restaurants, food providers and other secondary beneficiaries in the economy. This contribution to tourism also enhanced the Territory's competitive advantage as a holiday destination during the pandemic. The service also included transporting persons in quarantine for COVID-19 testing and other purposes related to their quarantine.

A total of 74 persons and transportation companies gained financial opportunities through the provision of quarantine services under the Transportation Stimulus Package. Activities took place from July 2020 to May 2021. Based on their level of participation, individuals or transportation businesses earned between a low of $400 and a high of $87,900 in the period. The mean remuneration earned was $11,835 over the period.

A monthly breakdown of the persons hired and earnings is shown in *Table 3-27*. The mean monthly earnings was $2,321.74.

Table 3-27: Summary of Expenses for Quarantine Services for July – December 2020

Month	Monthly Total	No of Persons Engaged	Minimum Remuneration	Maximum Remuneration	Average Remuneration
July 2020	10,200	9	600	1,800	1,133
August 2020	51,350	55	100	2,400	934
September 2020	35,950	59	100	2,250	609
October 2020	46,700	83	100	1,950	563
November 2020	76,450	140	100	2,250	546
December 2020	34,100	55	100	2,250	620
January 2021	109,700	108	50	2,400	1,016
February 2021	103,750	109	150	2,400	952
March 2021	2,400	10	100	400	240
April 2021	398,000	172	150	87,900	2,314
May 2021	7,200	15	100	1,200	480
Total	**875,800**				

3.4.2.3 Traffic Warden Programme

A total of 25 persons gained employment opportunities through the Traffic Warden Programme under the Transportation Stimulus Package, which ran from July to September 2020. Based on their level of participation, individuals earned between a low of $40 and a high of $2,980 over the three-month period. A monthly breakdown of the persons hired and earnings is shown in *Table 3-28*. The mean monthly remuneration earned in the three months was $796.

Total expenditure in remunderation under the Traffic Warden Programme was $30,505.

Table 3-28: Summary of Expenses for Traffic Warden Programme for July – December 2020

Month	Monthly Total	No of Persons Engaged	Minimum Remuneration US$	Maximum Remuneration US$	Average Remuneration US$
July	16,140	18	40	1,340	897
August	10,045	16	240	985	628
September	4,320	5	720	960	864
Total	**30,505**				

3.4.2.4 Miscellaneous Expenses

Miscellaneous expenses under the Transportation Stimulus Package totalled $90,088; *see Table 3-29*.

Table 3-29: Summary of Miscellaneous Expenses for July 2020 – May 2021

Month	Monthly Total
July 2020	5,880
August 2020	18,119
September 2020	750
October 2020*	42,111
November 2020	2,289
December 2020	12,213
January 2021	0
February 2021	2,435
March 2021	139
April 2021	2,524
May 2021*	43,610
Total	**130,073**

- *Includes payments for electric vehicle purchase*

This included costs for installing plexi-glass partitions in transport vehicles, signage, water and ice for workers, portable toilets, tents and materials in the sum of $48,569, and contributions towards the purchase of an electric vehicle – a down payment of $39,985 in October 2020 and final payment of $41,519 in May 2021. Less the payments towards the electric vehicle, Miscellaneous Expenses for the Transportation Stimulus Package in May 2021 was $2,091; *see Figure 3-16.*

As with the other expenses related to providing transportation to quarantined persons, these expenses varied according to the requirements based on the volume of incoming and quarantined travellers to the Territory.



Figure 3-16: COVID-19 Stimulus Transportation Miscellaneous Expenses

4 Challenges to Implementation

In implementing the various programmes a number of challenges were encountered, some of which were common across the suite of initiatives. These are outlined below.

1. Multiple applications were filed for the same businesses by some applicants. While some applicants may have deliberately submitted more than one application, it can be discerned that some of these were submitted in error or that persons who needed to update their applications simply submitted fresh ones.

2. Some applicants owned several businesses and filed applications for each business separately.

3. Where some businesses had multiple owners, more than one owner submitted separate applications for the business.

4. In some instances, some applicants with two surnames, used their first name and one of their surnames on one application and on the other, the other surname was used, so it appears as two different applicants. For example, Jane Doe-Smith applied for the Small business Stimulus Grant, however, on one application it is showing Jane Doe and the other it is showing Jane Smith. There were a few instances where these irregularities were not detected in time and persons received more than one payment for on business or more than one business. When this was detected, measures were taken to more rigorously filter the applications, which slowed down processing. In some instances payments were cancelled or reversed where this was possible to do.

5. Many applicants were not up to date in their registrations, such as NPO's, their trade licenses, or as farmers or fishermen. Programmes are required by the relevant agencies to educate the public on the importance and benefits of maintaining their registration and encouraging them to register or update their registration to become current.

6. Applicants could not access or had difficulty in accessing the offices of the BVISSB, NHI and Inland Revenue to obtain good standing certificates and other documentary evidence initially set as required for participation in the programme. Because of no enforcement and regular checks from the Government agencies, many of those organizations had no incentives to be compliant in regards to their overall establishing requirements legally. Some of these requirements eventually had to waived or deferred in consideration of the broader objective of getting the economic stimulus injected into the economy so that through the economic activity, citizens could earn an income to support their families and pay their bills instead of having to request social support from the Government and other agencies.

7. While the Government did attempt to communicate their process, the uncertainty, fear and overall anxiety caused by the health risks associated with the pandemic or possible consequences for having not been compliant with Statutory obligations, provided an environment where many of the intended users were not reached.

8. Some churches, day cares, pre-schools, fisher folk, farmers and MSMEs, as small operations, had neither the systems nor the apparatus, nor the staff, in place to allow them to readily comply with the cumbersome processes that were initially recommended for managing the rollout of the programmes. This could pose challenges to, for instance, their ability to keep longitudinal data and other records. This could be remedied in some part through training in the essentials of business management.

9. Most of the seniors who do not listen to radio or may not have computer or internet may have missed the opportunity to apply for the well needed stimulus grant. Some of these persons operate cottage industries or are farmers or fisher folk.

10. Some persons, particularly the elderly, cannot read and would have had difficulty preparing their application forms. Sometimes persons who have difficulty reading are embarrassed to ask for help.

11. Many farmers, fishermen and small business owners, such as the elderly, do not have or use social media platforms or Facebook accounts, and so many times the information did not reach to them, therefore, it was imperative to employ a process to reach as many of the intended audience as possible, as this group is a vulnerable part of the population socially.

12. Applicants who were better suited to apply under other COVID-19 Stimulus Programmes such as the day cares and pre-schools grant initiative and the transportation programme applied under the MSME grant programme.

13. Delays caused by incomplete applications resulted in processing and payment of some grants being delayed or deferred until those issues were rectified. As a result, by the time those issues were rectified, the disbursement may have become held up waiting on the release of funds or some other issue.

14. Long-standing deficiencies in the records of active fishermen and farmers were identified in the early stages if the implementation phase of the Stimulus programme. Listings were not well kept and updated to be made current prior to the pandemic. Thus, some long-time fisher and farmer folks as well as new ones were not registered. Most did not know they had to be registered and what was needed to be done to be registered. Through the conduct of the Stimulus Programme, the GoVI now has a list of active farmers and fisher folk, albeit this list may not reflect all the farmers and fisher folk. This data, in conjunction with PR campaign and an active registration exercise can rectify this problem.

15. The Premier's Office, Ministry of Finance and other Government Departments and Agencies were required to implement the various programmes without any additional staff while having to manage the regular workload of their Ministries or Departments, and while attending to other critical needs related to the management of the COVID-19 situation.

5 Further Action Required

Business Management Training

Some of the COVID-19 economic stimulus programmes were supposed to be complemented by training in the essentials of business management.

It was not practical to make attendance of such training a prerequisite to receiving the grant funding. The funds were required urgently to prevent businesses from going bankrupt and closing. Persons needed money to put food on their tables, to keep roofs over their heads, to keep the utilities connected and to settle other obligations. The economic activity that these grants stimulated allowed this to happen not just for the primary recipients of the grants but secondary beneficiaries in the economy such as workers in other businesses.

Additionally, COVID-19 restrictions and protocols would have posed challenges to executing such a programme, especially where some of the participants who would most need this training – such as the elderly - are not computer literate and do not have the equipment for online classes.

Based on the challenges encountered, as mentioned in Chapter 4, it can be seen that such a programme is essential, and should be extended to include training for owners or managers of day cares, pre-schools and churches, as well as farmers and fishermen.

The Premier's Office and the Department of Trade Investment and Promotion should move with expedition to implement this training programme, which was mandated by Cabinet for the MSMEs.

Monitoring and Evaluation

Given the nature and strategic purpose of the suite of COVID-19 economic stimulus programmes, the results of these financial investments would not be visible overnight. Hence, it was necessary to allow some time to elapse before evaluating the programmes.

Recipients of grants were advised of their obligation to provide feedback for monitoring and evaluation in their award letters; *see Appendix 3 – Sample Letters to Funding Recipients*.

The Permanent Secretary in the Premier's Office is preparing a questionnaire form to be sent to grant recipients to gather the necessary information in a standardized format that will allow for this data to be easily analysed.

6 Recommendations for Continual Improvement

Based on the challenges experienced in implementing the various aspects of the suite of COVID-19 economic stimulus programmes, the following emerge as key recommendations for continual improvement.

Measures should be put in place to:

1. Maintain registers or updated lists of businesses, churches, pre-schools, day cares, farmers and fisher folk and so forth, to improve the efficiency in executing projects in the future and to establish the status and history of prospective applicants;
2. Encourage businesses, churches, pre-schools and day care centres, farmers and fisher folk and so forth to maintain updated records to reduce the time for filing applications and processing application in future projects;
3. Accelerate the implementation and transition into e-Government which will make it more convenient for persons to access the range of Government services without having to attend a physical office. Some of the e-Government legislation was already passed in the House of Assembly recently and is going through the implementation process;
4. Improve enforcement by the various Government agencies of the various legislation pertaining to businesses, churches, NPO's and so forth to ensure that they are complying with requirements such as registration and Statutory obligations;
5. Ensure Government agencies and Statutory bodies implement a public education programme on the importance and benefits of compliance with the various Statutory requirement such as registration and making Statutory payments. Understanding this may encourage more persons, businesses and organizations to maintain compliance; and
6. Develop standardised forms for persons and businesses to submit invoices, so that the data entry and reporting processes can be streamlined for more efficient output.

7 Conclusion

COVID-19 is the worst public health emergency to hit the world in over 100 years. The pandemic has claimed millions of lives worldwide as it has brought health systems on the brink of collapse or crashing them altogether. Neither large nor small, rich nor poor, developed nor developing economies have been spared the wrath of this killer disease. Some have been in and out of lockdowns since the pandemic started in March 2020. Millions are out of work and countless businesses have been shuttered, especially the most vulnerable, with a social crisis piling upon the back of an economic crisis, which itself is piled upon a health crisis.

The Virgin Islands' story in this pandemic so far has been more positive. The GoVI took early decisive steps to secure the Territory's borders and to keep people safe from the virus. This included curfews, restrictions on business operations and safety protocols. The wide-spread cooperation from the public with these measures saw the Virgin Islands economy beginning a phased and managed reopening that started as early as June 2020.

Implementing the health measures and public safety measures needed to protect to protect citizens from COVID-19, implementing the infrastructure needed to position the Virgin Islands as a competitive tourism destination and the other measures undertaken in response to the pandemic placed an immense burden on the Territory's financial position – which itself is adversely affected by the COVID-19 pandemic.

Recognizing the enormity of the challenge, the BVISSB stepped up to provide a $40 million grant to fund a number of economic stimulus measures proposed by the Premier's Office and the GoVI aimed at keeping the economy running, generating opportunities whereby persons could access economic support in a manner that contributes to economic activity in the present building the resilience of the Territory looking to the future, and averting human security risks from the pandemic.

The fact that Virgin Islands residents have been out of lockdown since June 2020, deaths have remained at one unfortunate case for more than one year, families have not been thrown into destitution and homelessness, businesses have been able to open for the past 12 months, the Territory's borders have been able to reopen to international travellers, the Virgin Islands economy has been able to fully reopen and businesses are able to participate in this reopening, are all signs that GoVI's strategy for dealing with the economic, public health and social implications of the COVID-19 pandemic, have been on target.

The increased visibility of farmers and fisher folk selling their produce and catch respectively at various locations across the Territory, and local fish, vegetables and provision adorning supermarket shelves and the Saturday morning market at Sir Olva Georges Plaza, are visible and anecdotal evidence that grants in these sectors have been put to good use, and this would be confirmed in the evaluation exercises. This progress towards enhancing the Territory's food security provide impetus for the GoVI to source the additional $1.4 million needed to provide financial assistance to the remaining 52 fishermen and 50 farmers who were qualified for grants but for varied reasons were unable to be paid thus far.

It is clear that GoVI's COVID-19 interventions have delivered their expected purpose; social and economic support. These interventions softened the blow from COVID-19 on residents.

It must be borne in mind that the length and depth of the impact of COVID-19 on small vulnerable states like the Virgin Islands is still unknown. And since the pandemic is not yet over, a level of uncertainty remains.

The Virgin Islands can be optimistic that the positive responses being seen with respect to tourist arrivals since the reopening of the international borders and the relaxing of quarantine periods and entry fees for incoming travellers, would keep the Territory's economy moving forward once the spread of COVID-19 remains subdued locally and internationally.

It is possible that further stimulus interventions may become necessary in the future, and here the knowledge gained from the implementation of these programmes and the recommendations for continual improvement can benefit the Territory; recommendations such as developing and keeping update registers of farmers, fishermen, churches and so forth. Equally important is ensuring that businesses, NPO's, day cares, pre-schools and other entities remain current with their Statutory obligations as going concerns, and that they are always ready to participate in programmes when these become available or become necessary.

Finally, this report also provides ample proof that all funds managed by the Premier's Office are accounted for and that they were disbursed into the hands of beneficiaries approved by the respective Committees charged with administrating the stimulus programmes. The internal audit and then final audit processes are still to be completed, but their findings should concur with this preliminary report.

8 References

Auld, G., Bernstein, S., Cashore, B., and Levin, K. (2020). *'Managing COVID-19 as a Super Wicked Problem: Lessons from, and for, the Climate Crisis'*. Lee Kuan Yew School of Public Policy's Breakfast Club seminar series, Lee Kuan Yew School of Public Policy. Conference Paper, 19 June. Available Online at: <https://www.researchgate.net/publication/342201345_Managing_COVID-19_as_a_Super_Wicked_Problem_Lessons_from_and_for_the_Climate_Crisis>. [Accessed on 15 May, 2021]

Blumenthal, D. Fowler, E. J., Abrams, M., and Collins, S. R. (2020) *'Covid-19 — Implications for the Health Care System'* New England Journal of Medicine. 8 October. Issue 383. Pp 1483-1488. Available Online at: <https://www.nejm.org/doi/full/10.1056/nejmsb2021088> [Accessed: 8 October, 2020]

Clap, J. and Moseley, W. G. (2020), 'This food crisis is different: COVID-19 and the fragility of the neoliberal food security order', *The Journal of Peasant Studies*. Vil. 47, No. 7, Pp: 1393–1417. 11 October. Available Online at: <https://doi.org/10.1080/03066150.2020.1823838> [Accessed: 1 December, 2020]

Fana, M., Pérez, S. T. and Fernández-Macías, E. (2020) 'Employment impact of Covid-19 crisis: from short term effects to long terms prospects' *Journal of Industrial and Business Economics*. Issue 47. Pp 391–410. 15 July. Available Online at: <https://doi.org/10.1007/s40812-020-00168-5> [Accessed: 16 November, 2020]

Finch. W. H. and Hernández Finch, M. E. (2020) 'Poverty and Covid-19: Rates of Incidence and Deaths in the United States During the First 10 Weeks of the Pandemic' *Frontiers in Sociology* website. 15 June. Available Online at: < https://doi.org/10.3389/fsoc.2020.00047> [Accessed: 20 November, 2020]

Fukushima, A. (2020) 'COVID-19 is a human security crisis' *East Asia Forum*. 16 April. Available Online at: <https://www.eastasiaforum.org/2020/04/16/covid-19-is-a-human-security-crisis/> [Accessed: 16 November, 2020]

Hartley, K. (2020) 'Economics and the Covid Pandemic in the UK' *Peace Economics, Peace Science and Public Policy*. Vol 26 Issue 3. August. Available Online at: <https://doi.org/10.1515/peps-2020-0036> [Accessed: 16 November, 2020]

ILO (2021) *'ILO Monitor: COVID-19 and the World of Work'* Labor Organization (ILO). (7th Edition). 25 January. Geneva. Available Online at: <https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_767028.pdf> [Accessed: 26 January, 2021]

IMF (2020) *'World Economic Outlook: The Great Lockdown (Chapter 1)'*. International Monetary Fund. April. Available Online at: <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020> [Accessed: 20 January, 2021]

IMF (2020a) *'World Economic Outlook October 2020: A Long and Difficult Ascent'*. International Monetary Fund. October. Available Online at: <https://www.imf.org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020> [Accessed: 20 January, 2021]

Mercy Corps (2020) *'COVID-19 in Fragile Contexts - Reaching Breaking Point'*, Mercy Corps website. July. Available Online at: <https://www.mercycorps.org/sites/default/files/2020-07/COVID-19%20in%20Fragile%20Contexts_Mercy%20Corps_July%202020.pdf> [Accessed: 2 December, 2020]

Milani, C. R. S. (2020) 'Covid-19 between Global Human Security and Ramping Authoritarian Nationalisms' *Geopolítica(s), Revisita de estudios sober espacio y poder*. Vol 11. 10 May. Available Online at: <https://dx.doi.org/10.5209/geop.69283> [Accessed: 16 November, 2020]

Patel, J. A., Nielsen, F. B. H., Badiani, A. A., Assi, S., Unadkat, V. A., Patel, B., Ravindrane, R. and Wardle, H. (2020) 'Poverty, inequality and COVID-19: the forgotten vulnerable' *Public Health*. Vol 183, June, Pp 110-111. Available Online at: < https://doi.org/10.1016/j.puhe.2020.05.006> [Accessed: 21 November, 2020]

Robinson, K. (2020) 'Comparing the Spanish flu and COVID-19 pandemics: Lessons to carry forward' *Nursing Forum*. Vol 1. Issue 8. 15 December. Available Online at: <https://doi.org/10.1111/nuf.12534> [Accessed: 26 January, 2021]

Tabri, N., Hollingshead, S. and Wohl, M. (2020). Framing COVID-19 as an Existential Threat Predicts Anxious Arousal and Prejudice towards Chinese People. ResearchGate Website. Available Online at: <http://dx.doi.org/10.31234/osf.io/mpbtr> [Accessed: 13 January, 2021]

UNWTO (2021) 'The UNWTO Tourism Data Dashboard'. *United Nations World Tourism Organisation*. Available Online at: <https://www.unwto.org/unwto-tourism-dashboard>. Accessed [8 February, 2021]

UNWTO (2021a) '2020: Worst Year in Tourism History with 1 Billion Fewer International Arrivals'. *United Nations World Tourism Organisation*. Available Online at: <https://www.unwto.org/news/2020-worst-year-in-tourism-history-with-1-billion-fewer-international-arrivals>. Accessed [8 February, 2021]

Valensisi, G. (2020) 'COVID-19 and Global Poverty: Are LDCs Being Left Behind?' *The European Journal of Development Research*. 7 October. Available Online at: < https://doi.org/10.1057/s41287-020-00314-8>. Accessed [19 November, 2020]

Wambuah, M. (2020) 'Covid-19, Human Security Crisis, and the Responsibility to Protect' *Kujenga Amani*. 3 September. Available Online at: <https://kujenga-amani.ssrc.org/2020/09/03/covid-19-human-security-crisis-and-the-responsibility-to-protect/> [Accessed: 16 November, 2020]

WEF (2021) *'The Global Risks Report 2021'*. World Economic Forum, 19 January. Available Online at: <https://www.weforum.org/reports/the-global-risks-report-2021>. [Accessed on 9 May, 2021]

WHO (2020) 'Statement on the second meeting of the International Health Regulations (2005) Emergency Committee regarding the outbreak of novel coronavirus (2019-nCoV)' *The World Health Organization*, Statement, January 30. Available Online at: <https://www.who.int/news/item/30-01-2020-statement-on-the-second-meeting-of-the-international-health-regulations-(2005)-emergency-committee-regarding-the-outbreak-of-novel-coronavirus-(2019-ncov)>. Accessed [2 November, 2022]

WHO (2020a) *'WHO Director-General's opening remarks at the media briefing on COVID-19 - 11 March 2020'* World Health Organization website. 11 March. Available Online at: <https://www.who.int/director-general/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>. Accessed [2 November, 2020]

World Bank (2020) Global Economic Prospects – June 2020' *The World Bank*. Available Online at: <https://openknowledge.worldbank.org/bitstream/handle/10986/33748/9781464815539.pdf >. Accessed [5 January, 2021]

World Bank (2021) Global Economic Prospects – January 2021' *The World Bank*. Available Online at: <https://www.worldbank.org/en/publication/global-economic-prospects >. Accessed [5 January, 2021]

Worldometer (2021) 'Coronavirus COVID-19 Pandemic', *Worldometer website*, 15 June. Available Online at: <https://www.worldometers.info/coronavirus/>. Accessed [15 June, 2021]

9 Appendices

9.1 Appendix 1 – BVISSB Grant; Approved Initiatives

Extract from the Agreement between the GoVI and BVISSB (Schedule 1) showing initiatives agreed to and respective allocations.

Initiative No	Particulars	Requested Amount US$	Approved by BVISSB
1.	Temporary Income Support due to special circumstances such as the COVID-19 Pandemic.	10 Million	10 Million
2.	Food Production (Agriculture and Fisheries) Grant to be administered by the Premier's Office to boost these industries and assist with food security	2 Million	2 Million
3.	Grants to local businesses affected by COVID-19, to be administered by a team comprised of representatives of the Ministry of Finance, Premier's Office and Department of Trade.	7 Million	6.5 Million
4.	Stimulus grants to hotels and villas affected by COVID-19, to be administered by a team comprised of representatives of the Ministry of Finance, the BVI Tourist Board, Ministry of Health and the Premier's Office.	1 Million	1 Million
5.	Government-guaranteed soft loans to local businesses at minimal interest rates to be administered by a team comprised of representatives of the Ministry of Finance, the Department of Trade and the Premier's Office, and coordinated by local banks, to assist businesses affected by COVID-19.	2 Million	0
6.	Housing repairs, materials, labour and reconstruction assistance to be administered by the Premier's Office and the Ministry of Finance to water-tight homes damaged by the 2017 catastrophic hurricanes, Irma and Maria.	15 Million	10 Million
7.	Other social needs related to COVID-19 to be administered by the Social Development Department Assistance to churches, daycare, private school.	1 Million 1 Million	1 Million 1 Million
8.	Transportation initiative for the City and from Terrence B. Lettsome International Airport to approved quarantine areas in Tortola, Transportation initiative applies to the other Sister Islands as well.	1 Million	1 Million
9.	NHI	0	7.5 Million
Total (Maximum Amount of Grant)		40 Million	40 Million

9.2 Appendix 2 – Cabinet Decisions

9.2.1 COVID-19 Economic Stimulus - Small Business Sector Grant Programme

Memo No. 211/2020

Further to the decision made by the Cabinet on 17th June, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. approved the Small Business Sector Grant Programme via the COVID-19 Economic Stimulus Package in the amount of six million, five hundred thousand dollars ($6,500,000.00) by way of a grant to the Government of the Virgin Islands from the Social Security Board to be met from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense;

b. decided that a Committee be established consisting of representatives from the Premier's Office (Chair), the Ministry of Finance (Member), and the Department of Trade, Investment Promotion and Consumer Affairs (Member) with responsibility for structuring and administering the Small Business Sector Grant Programme;

c. decided that the Programme be audited on a monthly basis by the Internal Auditor and that the report be forwarded to the Cabinet by the Minister of Finance within one (1) month after receipt; and

d. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.
Ms. Sandra Ward
17th June, 2020

EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
27th May, 2020

9.2.2 COVID-19 Economic Stimulus - Small Business Sector Grant Programme
Memo No. 267/2020

Further to the decision made by the Cabinet on 15th July, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. noted the policy brief, which sets out the framework for the management and administration for the Economic Stimulus - Small Business Sector Grant Programme;

b. noted the application form, which will be launched online for the collection of the relevant information and data required for the disbursement of the funds; and

c. decided that an expedited extract be issued to allow the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.
Mrs. Vicki Samuel-Lettsome
Deputy Cabinet Secretary for Cabinet Secretary
16th July, 202

EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
8th July, 2020

9.2.3 COVID-19 Economic Stimulus-Micro Small and Medium Enterprise (MSME) Businesses Grant Relief Awards
Memo No. 343/2020

Further to the decision made by the Cabinet on 11th September, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. decided that the list of businesses with the corresponding grant amounts be distributed in accordance with Government's financial management policy procedures ;

b. decided that the funds will be paid directly to the beneficiary business, once they sign a declaration agreement agreeing to what the funds can be spent on;

c. noted that payments will be made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense;

d. decided that the remaining balance of three hundred eighty-one thousand, seven hundred and ninety-one dollars ($381,791) from the Small Business Sector Grant Programme, be used to fund an extension of the existing Programme; and

e. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.
Mrs. Vicki Samuel-Lettsome
Deputy Cabinet Secretary for Cabinet Secretary
11th September, 202

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
15th July, 2020

9.2.4 COVID -19 - Economic Stimulus - Daycares, Pre-schools, Private Schools, Churches and Religious Organisations
Memo No. 236/2020

Further to the decision made by the Cabinet on 8th July, 2020, below is the amended decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. approved, from the Social Security Board's Grant to the Government of the Virgin Islands, the sum of one million dollars ($1M) as a COVID-19 Economic Stimulus Package to support daycares, pre-schools, private schools and religious organisations to be met from the Premier's Office Head 22204090 Subhead 528662 - Corona Virus Prevention Expense;

b. decided that a Committee be established consisting of representatives from the Permanent Secretary in the Premier's Office or designate (Chair); the Financial Secretary or designate (Member); the Permanent Secretary in the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture or designate (Member); and Director of Communication or designate, with responsibility for structuring and administering the Grant Programme;

c. decided that the Programme be audited on a monthly basis by the Internal Auditor and that the report be forwarded to the Cabinet by the Minister of Finance within one (1) month after receipt; and

d. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.
Ms. Sandra Ward
8th July, 2020

EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
17th June, 2020

9.2.5 COVID-19 Economic Stimulus Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisation Programme (Revised)
Memo No. 342/2020

Further to the decision made by the Cabinet on 30th September, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. reviewed and approved the implementation of the COVID-19 Economic Stimulus Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisations;

b. noted that funding for the initiative was approved via Schedule of Additional Provision No.1 of 2020 in the amount of one million dollars ($1M);

c. agreed that additional funding in the amount of one million, three hundred and ninety-two thousand, eight hundred and eighteen dollars ($1,392,818) be approved via a Schedule of Additional Provision at the earliest Sitting of the House of Assembly;

d. approved the recommendations for the award of grant funding detailed in grant amount spreadsheet attached as **Appendices C, D, E**, to be funded from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense;

e. reviewed and approved the declaration agreement to be signed by each Daycare, Pre-School, Private School, Church or Religious Organisations receiving a grant under this programme attached as **Appendix F**; and

f. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.
Ms. Sandra Ward
30th September, 2020

EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
11th September, 2020

9.2.6 Economic Stimulus - Farmers and Fisherman
Memo No. 179/2020

Further to the decision made by the Cabinet on 27th May, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. approved the criteria document to assess the eligibility of farmers and fishermen qualification for assistance through the COVID-19 Economic Stimulus Response two million dollars ($2M) facility attached at **Appendix B**;

b. approved the application form for farmers and fishermen to apply for assistance through the COVID-19 Economic Stimulus Response $2M facility attached at **Appendix C**;

c. approved the priority areas list for farming and fishing attached at **Appendix D**;

d. noted the updated list of registered commercial farmers and fishermen attached at **Appendix E**;

e. approved the templates and production logs for reporting and accountability in the various areas to be completed by the Department of Agriculture and Fisheries on a monthly basis attached at **Appendix F**;

f. approved that the initiative is audited on a monthly basis by the internal auditor and the report forwarded to Cabinet by the Minister of Finance within one (1) month after receipt; and

g. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.
Ms. Sandra Ward
27th May, 2020

EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
27th May, 2020

9.2.7 COVID-19 Transportation Stimulus Package
Memo No. 175/2020

Further to the decision made by the Cabinet at the Special meeting on 27th May, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. approved an amount, not to exceed nine hundred thousand dollars ($900,000.00) to support the City Transportation Programme Initiative in Road Town (as a result of the upcoming redirecting of the traffic initiative in the Road Town area in June 2020), which will include a shuttle service from the Festival Grounds and, quarantine bus service for returning Nationals and Residents;

b. noted that the total amount, which will be allocated to the Premier's Office in Head 22204090, Subhead 528675 Transportation Expenses, also includes expenses to be incurred for the new transportation initiatives on or to the other sister islands of Virgin Gorda, Anegada and Jost Van Dyke;

c. decided that the total amount will also include the hiring of any personnel and purchasing of materials that will be required to allow for the fluent, accountable and transparent functioning of this initiative;

d. agreed an amount not to exceed ninety thousand dollars ($90,000.00) to facilitate the purchase of two (2) electric shuttle buses as the economy continues to reopen for greater economic recovery in the longer term, and for this amount to be allocated to the Premier's Office Head 22204090, Subhead 112110 Purchase/Sale of Motor Vehicle;

e. decided that this programme will be administered and monitored by a coordinating committee inclusive of:

i. Permanent Secretary/Premier's Office (or designate);

ii. Permanent Secretary/Ministry of Transportation and Works (or designate);

iii. Chairman of the Taxi and Livery Commission;

iv. Director of Trade, Investment Promotions and Consumer Affairs (or designate);

v. Director of Tourism (or designate);

f. decided that the coordinating committee be co-chaired by the Permanent Secretary in the Premier's Office and Chairman of the Taxi and Livery Commission;

g. decided that the coordinating committee will establish the guidelines under which the initiative will be administered and monitored, taking into account all COVID-19 protocols among other measures for safety, transparency and accountability;

h. decided that the Premier's Office request the Internal Audit Department to conduct monthly audits of the programme and submit monthly reports to the Cabinet; and

i. decided that an expedited extract be issued to allow for the decision of the Cabinet to be issued before the confirmation of the Minutes.

Please be guided accordingly.
Ms. Sandra Ward
27th May, 20

9.2.8 COVID-19 Transportation Stimulus Package Budget

Budget
(for a 90 day / 3 month period)

Item	Quantity	Amount	Total	Description
Traffic Flow Assistants	30	$80/day	24,000.00	2 weeks/10 days (M-F), in the first instance
Vests High Visibility Safety (Traffic Flow Assistant)	30	$20/vest	600.00	PPE for Temporary Traffic Flow Assistants
Tents and Water Coolers at Park & Ride Depot	2	$500	500.00	Purchase of tent and coolers for use at Festival Grounds Bus Depot
Advertisements	1	$5,500.00	5,500.00	Flyers, Electronic Media, Billboards, Radio, Online
Magnetic Decal	15	$120.00/door	3,600.00	Park & Ride Logo door decal
Retrofitting of Buses	25	$740/bus	18,500.00	Retrofitting of Buses used in Quarantine Bus Service with Plexiglas barrier
Taxi Operator with Bus (Tortola)	10	$150/day	135,000.00	Quarantine Bus Service on Tortola 90 days, 10 buses/day, $150/day
Taxi Operator with Bus (Sister Islands)	5	$100/day	45,000.00	Quarantine Bus Service on Sister Islands 90 days, 5 buses/day, $100/day
Park & Ride Bus Operator	10	$150/day	15,000.00	Park & Ride operator with vehicle 10 vehicles per day, 90 days
Taxi Operator (Driver only)	2	$120/day	21,600.00	Driver of Electric Bus (2) (90 days, 2 buses/day, $120/day)
Purchase of Electric Buses (NEW)	2	$43,430.00/bus	86,860.00	Cost of two (2) new MotoEV Electro Transit Buddy, 15 passengers with AC and Doors
Maintenance	1	$3,500	3,500.00	Maintenance and Repairs to Electric Buses
Cleaning of restrooms (Festival Grounds)	1	$50/day	4,500.00	Festival Grounds Restrooms (90 days)
Porta-Potty	2	$1,400/month	4,200.00	Rental (supply) and service of portable restroom; includes sink, hand sanitizer, deodorant chemicals for toilet, toilet paper and cleaning service.
Traffic Signs (ready-made)	30	$84/sign	3,500.00	Procurement of new Traffic Signs
Road Marking Paint (by 5 gallon bucket)	50	$227.00/bucket	11,340.00	Materials for application of new road markings and deletion of old road markings (50 buckets)
Electricity	1	$200/month	600.00	Cost of electricity consumption (90 days)
Bottled Drinking Water 16oz	40	$10/case	400.00	Cost of drinking water for Traffic Assistants and Park & Ride Operators
			$384,200.00	

9.3 Appendix 3 – Sample Letters to Funding Recipients

9.3.1 Letter to COVID-19 Economic Stimulus – MSME Recipients

GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office

Our Ref: PO/H1/013

2nd November, 2020

Mr. [redacted]
Owner,
[redacted]
TORTOLA VG1110
Virgin Islands

Dear Mr. [redacted]:

COVID-19 Economic Stimulus Micro Small and Medium Enterprise Grant

Congratulations! I am pleased to inform you that your application has been approved. You will be awarded a grant in the amount of **Six Thousand Three Hundred and Sixty-Three Dollars ($6,363.00).**

Our offer of this grant requires you to:

(1) Assist the government in evaluating the programme by completing the required surveys, participating in focus group discussions and interviews which will be carried out periodically during the implementation and programme assessment periods.

(2) Attend training programmes organised by Government. The training aims to equip **Micro Small and Medium Enterprises** (MSMEs) with expertise in financial management, business plan development and other entrepreneurial skills.

Please note that acceptance of the requested grant also signifies your acknowledgement of you agreeing to furnish the Premier's Office with a full account of the expenditure of the funds being granted. This information is to ensure that the grant hits its target that the Government is being prudent with the public's purse. Further, through acceptance of the grant, it is also expected that you will settle outstanding payments with agencies such as Inland Revenue Department, Social Security Board and National Health Insurance.

We appreciate being able to assist you with your efforts. Thank you for your contribution to your community and the economy of the Virgin Islands.

Yours sincerely,

[redacted]
Carolyn O'Neal-Morton, PhD.
Permanent Secretary

Premier's Office . Government of the Virgin Islands . Cutlass Tower . 2nd Floor . Road Town Tortola VG1110 . Virgin Islands
Tel: (284) 468-2152[redacted] Email: premieroffice@gov.vg www.bvi.gov.vg

9.3.2 Letter to COVID-19 Farmers and Fishermen Economic Stimulus recipients

GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office

Our Ref: PO/H1/013

8th December, 2020

Mr. [redacted]
Virgin Islands

Dear Mr. [redacted]:

COVID-19 Farmers/Fisherman Economic Stimulus

Congratulations! I am pleased to inform you that your application has been approved. You will be awarded a grant in the amount of **Thirteen Thousand Five Dollars ($13,500.00).**

Please note that acceptance of the requested grant also signifies your acknowledgement of you agreeing to furnish the Premier's Office with a full account of the expenditure of the funds being granted. This information is to ensure that the grant hits its target that the Government is being prudent with the public's purse. Further, through acceptance of the grant, it is also expected that you will settle outstanding payments with agencies such as Inland Revenue Department, Social Security Board and National Health Insurance.

We appreciate being able to assist you with your efforts. Thank you for your contribution to your community and the economy of the Virgin Islands.

Yours sincerely,

[redacted]
Carolyn O'Neal-Morton, PhD.
Permanent Secretary

Premier's Office . Government of the Virgin Islands . Cutlass Tower . 2nd Floor . Road Town Tortola VG1110 . Virgin Islands
Tel: (284) 468-2152[redacted] Email: premieroffice@gov.vg www.bvi.gov.vg

9.3.3 Letter to COVID-19 Preschools, Day-Cares, Private Schools, Churches and Religious Organizations Economic Stimulus Recipients

GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office

Our Ref: PO/H1/013

18th December, 2020

Mr. [redacted]
[redacted]
Tortola VG1110
Virgin Islands

Dear Mr. [redacted]:

COVID-19 Pre-Schools, Day-Cares, Private Schools, Churches and Religious Organisations Economic Stimulus

Congratulations! I am pleased to inform you that your Day-Care/Pre-School/Private School/Church has been granted a stimulus which is awarded in the amount of **Fifteen Thousand Dollars ($15,000.00).**

We appreciate being able to assist your Day-Care/Pre-School/Private School/Church with its continued efforts in educating our children and thank you for your contribution to your community and the lives of the people and economy of the Virgin Islands on a whole.

May God continue to bless you and your organization.
Yours sincerely,

[redacted]
Carolyn O'Neal-Moltón, PhD.
Permanent Secretary

Premier's Office • Government of the Virgin Islands • Cutlass Tower • 2nd Floor • Road Town Tortola VG1110 • Virgin Islands
Tel: (284) 468-2152 [redacted] Email: premieroffice@gov.vg www.bvi.gov.vg

9.3.4 Letter to COVID-19 Transportation Service Providers

GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office

Government of the Virgin Islands
Central Administration Complex
#33 Admin Drive
Road Town, TORTOLA VG1110
VIRGIN ISLANDS

Our Ref: PO/H1/013

04 June, 2021

Mr. [redacted]
Tortola, VG1110
British Virgin Islands

Dear Mr. [redacted]:

Please find enclosed Government of the Virgin Islands cheque # [redacted] totaling three thousand six hundred dollars ($3,600.00) representing payment of invoice number [redacted].

Please note that it is your sole responsibility to ensure that as per your statutory obligation National Health Insurance (NHI), Social Security Fees and Payroll taxes are paid.

Thank you for the services you have provided.

Regards,

[redacted]
Carolyn O'Neal-Morton, PhD
Permanent Secretary

Enclosure (1)

pc: Director, National Health Insurance
Commissioner, Inland Revenue Department
Director, Social Security Board
Director, Internal Audit
Financial Secretary
Minister of Finance

Tel: (284) 468-2152[redacted] **Fax:** (284) 468-3294 **Email:** premieroffice@gov.vg www.bvi.gov.vg

9.3.5 Letter to Park and Ride Transportation Initiative Recipients

GOVERNMENT OF THE VIRGIN ISLANDS
Premier's Office

Government of the Virgin Islands
Central Administration Complex
#33 Admin Drive
Road Town, TORTOLA VG1110
VIRGIN ISLANDS

Our Ref: PO/L2/028

07 May, 2021

Mr. [redacted]
Sea Cow's Bay
Tortola, VG1110
British Virgin Islands

Dear Mr. [redacted]:

Please find enclosed Government of the Virgin Islands cheque #[redacted] in the amount of seven hundred fifty dollars ($750.00) representing payment for the services provided for the Park and Ride Taxi Shuttle Programme for the period 18-22 January, 2021.

Please note that it is your sole responsibility to ensure that as per your statutory obligation National Health Insurance (NHI), Social Security Fees and Payroll taxes are paid.

Thank you for the services you have provided.

Regards,

[redacted]
Carolyn O'Neal-Morton, PhD
Permanent Secretary

Enclosure (1)

pc: Director, National Health Insurance
Commissioner, Inland Revenue Department
Director, Social Security Board
Director, Internal Audit
Financial Secretary
Minister of Finance

Tel: (284) 468-215[redacted] **Fax:** (284) 468-3294 **Email:** premieroffice@gov.vg www.bvi.gov.vg

9.4 Appendix 4 – Declarations by Grant Recipients

9.4.1 Declaration Completed by Churches and Religious Organizations

GOVERNMENT OF THE VIRGIN ISLANDS

DECLARATION
FOR THE COVID-19 ECONOMIC STIMULUS CHURCHES AND RELIGIOUS ORGANISATIONS

I .....
(Please Print Name)

owner of .....
(Please Print Church Name)

on this ..... day of ....., 2020.

Declare as follows:

1. I will only utilise the grant support for the continued operation of my church, and to remain in compliance with the COVID-19 health and safely protocols for re-opening, including through the payment of utilities, rent, mortgage, purchase of supplies, small construction works, and payment of outstanding renewal of registration as a NPO;
2. I will assist Government in evaluating the programme by completing as required surveys, and participating in focus group discussions and interviews carried out periodically during the implementation and programme assessment period;
3. I will commit to settle outstanding payments with the Ministry of Health and Social Development, as requested;
4. I will provide as feasible, data to Government so that the programme can be adequately monitored and evaluated, upon required;
5. I understand that information collected for this programme could be used for the development of future assistance programmes;

Signed this day of , 2020. _____

9.4.2 Declaration Completed by Day-Cares, Pre-Schools and Private Schools

GOVERNMENT OF THE VIRGIN ISLANDS

DECLARATION
FOR THE COVID-19 ECONOMIC STIMULUS FOR DAY CARES, PRE-SCHOOLS, AND PRIVATE SCHOOLS

I .....
(Please Print Name)

owner of .....
(Please Print School Name)

on this ..... day of ....., 2020.

Declare as follows:

1. I will only utilise the grant support for the continued operation of my school, and to remain in compliance with the COVID-19 health and safely protocols for re-opening, including through the payment of utilities, rent, mortgage, wages and salaries, purchase of supplies, small construction works, and payment of outstanding statutory fee obligations;
2. I will assist Government in evaluating the programme by completing as required surveys, and participating in focus group discussions and interviews carried out periodically during the implementation and programme assessment period;
3. I will commit to settle outstanding payments with the Inland Revenue Department, the Social Security Board, and the National Health Insurance, as requested;
4. I will attend training programmes organised by Government aimed at equipping MSMEs with expertise in financial management, business plan development, and other entrepreneurial skills;
5. I will provide as feasible, data to Government so that the programme can be adequately monitored and evaluated, upon required;
6. I understand that information collected for this programme could be used for the development of future assistance programmes;

AUDIT REPORT
Covid-19 Stimulus Grants To Farmers & Fisherfolk



Special Report of the Auditor General

This report has been prepared under section 20 of the Audit Act 2003 which prescribes that:

20. **(1)** The Auditor General may at any time prepare and submit a special report to the Governor if she is satisfied that there is a matter that should be brought to the attention of the Governor.

(2) The Governor shall, within three months of the receipt of the special report, cause the report to be laid before the Legislative Council.

(3) The Auditor General shall at the same time as submitting the special report to the Governor submit a copy of the special report to the Minister and the Financial Secretary.

Contents

Executive Summary 3

Objective and Scope 4

Background 5

Eligibility of Farmers/Fishermen 5

Budgeted Amount 5

Actual to Date 5

Addendum 5

Farmers Stimulus Grants 6

Commercial Farmers Cabinet List 7

Other Farmer Payments 7

Determination of Farmer's Grant Amounts 8

Monitoring Application of Funds Farmers Grants 9

Fishermen Stimulus Grants 10

Cabinet Licensed List For Fishermen 10

Other Fishermen Payments 11

Fishermen Designation 11

Application for Fishing Grant 12

Duplicated & Multiple Payments – Farming & Fishing 14

Registration Databases 14

Conclusion 15

Recommendations 15

APPENDICES 17

Schedule of Appendices

Appendix	Description	Page
1	Farmers Cabinet List - Paid Farmers	17 -19
2	Farmers Other Payments	20-24
3	Summary of Inflated Farmer's Requests	25-26
4	Details of Inflated Farmer's Requests	27-28
5	Fishermen Cabinet List - Fishermen Payments	29
6	Fishermen Other Payments	30-35
7	Fishermen Payments - Multiple Members on Vessel	36-38
8	Multiple Payments to Farmers and Fishermen	39
9	Payments from Multiple Stimulus Programmes	40-45

Executive Summary

E-1. An audit examination was performed to assess the implementation and application of the Government's stimulus programme for farmers and fishermen that was launched as a part of the COVID-19 recovery initiative.

E-2. The audit examination was impeded by the failure of the Premier's Office to provide documents requested for this review. This is a direct contravention of Audit Act 19 (2)(d) and is contrary to public sector best practice policies for transparency and accountability.

E-3. A total of $1.4 million was paid in Farmers Stimulus grants to persons who were not registered in the Agriculture database of registered farmers.

E-4. The funding requests submitted by farmers were inflated by the Ministry (Premier's Office) prior to payment. This resulted in individuals receiving payments that were substantially greater than what they had requested.

E-5. There was an absence of accountability for how the grant amounts were issued and applied. The controls approved by Cabinet for management and monitoring of this programme were not adopted.

E-6. More than half of the Fishermen Stimulus Grants recipients were not licensed as required by the Fisheries Legislation and Fisheries Regulations. A total of $1.2 million was paid to unlicensed fishermen.

E-7. The fishermen grants were intended to assist with equipment and material costs. Payments were however made to both vessel owners and crew members resulting in multiple members on the same vessel receiving grants. This included grant awards to multiple vessel members requesting assistance for the same equipment.

E-8. Several instances were noted where individuals received more than one grant under this programme. In a few instances this manifested with duplicate grants for the same occupation (two farmers grants) but in most cases the individuals received both a farmer's grant and a fisherman's grant which together totaled from $22,500 to $42,500. There were also cases where individuals who received farmers/fishermen grants also received grants from other government stimulus programmes.

E-9. The absence of controls in the implementation and administration of this programme has left the Government without means of assessing how the funds were applied.

Objective and Scope

1. The audit covers the activity related to the BVI Government's Farmers and Fishermen stimulus Grant initiative undertaken by the Government in response to the negative economic impact resulting from COVID-19 shutdowns.

Objective

2. The purpose of the audit is to provide independent information and advice on:
   a. Whether approved procedures were followed in the adoption and execution of the farmers and fishermen stimulus programme;
   b. Whether the objectives of the programme to expand local commercial fishing and agricultural activity was achieved;
   c. Whether the funds were applied with due regard to the principles of value for money.

Scope

3. The examination included a review of promulgated public policy with respect to the programme, documents and files obtained from the Ministry of Finance, Department of Agriculture and Fisheries (the Department), Cabinet Office and verification of payment activity through the Treasury System. Interviews were also performed with key personnel and site inspections were undertaken at farms of grant recipients.

4. The expenditure and payments quoted in this report are as at 20 May 2021.

Restriction of Scope

5. The Auditor General's Office was unable to obtain the relevant files and information from the Premier's Office pertaining to the COVID-19 stimulus grants which were repeated requested by e-mail and telephone. This includes access to databases, documents, reports and other information relevant to policy development and implementation of the programmes.

6. The refusal to present this information is in direct contravention of the VI Constitution and the Audit Act which provide for this office to have access to government documents and records. No public officer expending public funds has the authority to deny information requested for audit purposes.

Documents Referenced in Report	
Licence Commercial Fishers	Persons Registered with Department of Agriculture per Fisheries Act and Fisheries Regulations Database (List)
Registered Farmers	Persons Registered with the Department of Agriculture per policy Database (List)
Cabinet List	List of Registered Commercial Farmers and Fisherfolk submitted to Cabinet on 18 June 2020
Policy Document	As approved by Cabinet on 18 June 2020

Background

7. As part of the Economic Stimulus package for COVID-19, two million dollars ($2,000,000) from the Social Security Board Grant was allotted to assist farmers and fishermen. In announcing the programme on 28 May 2020 the Premier stated that the funding for farmers would be used for cutting access roads to farms, fencing properties as well as other means to increase and support food production. For fishermen, the funding was to be used to purchase engines, nets and other equipment needed to help them increase their production. The ultimate intention of the grant was to boost agriculture and fisheries production in the Virgin Islands while creating jobs and increasing food supply.

8. The publicized application period ran from 5 June to 10 July 2020. Payments to farmers and fishermen commenced in October 2020.

Eligibility of Farmers/Fishermen

9. The programme was open to any commercial farmer or fisherman who is a BVIslander, Belonger, Naturalised Citizen or Permanent Resident registered with the Department of Agriculture and Fisheries and in the case of fishermen - licensed commercial fishers as defined under the Virgin Islanders Fisheries Act, 1997 and Regulations 2003.

Budgeted Amount

10. An initial amount of two million dollars from the Social Security Board Grant was budgeted for this project. An amendment to the grant agreement dated 15 December 2020 reallocated an additional $1.5 million from the SSB housing programme to the Farmers and Fishermen grants, increasing the total to **$3.5 million**. We were unable to identify any additional funding that was allocated directly to this programme.

Actual to Date

11. As at **20 May 2021** the Treasury records indicated that the total amount paid under the Farmers and Fisherfolk Stimulus programme was **$5,140,000**. Of this $2,218,000 was paid to fisherfolk (hereinafter referred to in this report as fishermen) and $2,922,000 to farmers.

PROGRAMME PAYMENT SUMMARY

		Registered/Licensed		
	# of Payments	Yes	No	Total
Farmers	203	100	103	2,922,000.00
Fishermen	208	88	120	2,218,000.00
	411	188	223	5,140,000.00

Addendum

12. The Farmers and Fishermen grant amount of $6,148,500 publicized in the HOA on 13 May 2021 have not been substantiated against the actual payments issued by the Treasury Department. The actual payments (cheques issued) at that date totaled $5,140,000.

Farmers Stimulus Grants

13. Forty-nine percent of the amount paid in farmer's stimulus grants totaling $1,437,000 was awarded to persons who were not recorded in the Agriculture database of registered Farmers.

14. The farmer's eligibility criteria for grant award required either registration with the Department of Agriculture and Fisheries as a farmer or submission of a notarized letter of referral verifying engagement in commercial farming for the past three years. Farmers were also required to demonstrate engagement in commercial farming per the department's established criteria which outlines the number of livestock and farming acreage qualifying as commercial.

15. The Department's farmer registration process involves undertaking a site assessment to confirm the type of farm, its size, and the condition of the area, in order to log and scale its operations. This assessment determines whether the undertaking constitutes commercially scaled farming or backyard farming. Individuals who fail to meet the Department's criteria for commercial farming were required to provide evidence of commercial farming occupation within the past three years in a manner not covered by the criteria.

16. As at 20 May 2021 there were 203 payments issued in farmer's stimulus grants. Of the amount paid, 49% totaling $1,437,000 was made to persons not registered with the Department of Agriculture. No information was provided on how these individuals qualified for grant award.

Farmers Total Stimulus Payments As at 20 May 2021			
Status	**# Persons**	**Paid $**	**% of Paid**
Registered	100	1,485,000.00	51%
Not Registered	103	1,437,000.00	49%
Total	203	2,922,000.00	

17. On 18 June 2020 Cabinet approved the Farmers and Fisherfolk stimulus policy. The documents submitted to support the policy included a schedule of 95 persons as "Commercial Farmers Registered for Economic Stimulus" (Cabinet's List or Cabinet's Farmer's List).

18. The audit examined the distribution of payments between the persons who had been submitted to Cabinet as "Registered Commercial Farmers" and others outside that list who received payments.

Commercial Farmers Cabinet List

19. Almost half of the persons on the Cabinet List of Commercial Farmers were not registered in the Agriculture database of registered Farmers.

20. Review of the records indicated that 42 of the 95 persons on this list were not registered with the Agriculture and Fisheries Department as farmers. No information was received from the Premier's Office on how the list submitted to Cabinet was compiled.

21. The records at the Treasury Department at 20 May 2021 indicated that 39 payments had been issued to persons on that schedule. Of these, 29 were to persons registered with Agriculture as farmers. The total amount paid out to individuals on that list was $636,000 as in the Table below and in Appendix 1 of this report.

Farmers List Submitted Cabinet			
Registration Status	**# of Persons**	**# of Payments**	**Amount $**
Registered	53	29	481,500
Unregistered	42	10	154,500
Totals	***95***	***39***	***636,000***

Other Farmer Payments

22. *Similarly, fifty-seven percent of other persons who received farming grants were not listed in the Agriculture database of registered Farmers.*

23. In addition to the payments made to individuals on the Cabinet list, there were 164 other payments made in farmers' stimulus grants totaling $2,286,000.

Other Payments- Farmer Stimulus		
Status	**# of Payments**	**Amount $**
Registered	71	1,003,500.00
Unregistered	93	1,282,500.00
	164	***2,286,000.00***

24. Approximately 57% (93 of the 164 payments) were to individuals not registered with the Department of Agriculture and Fisheries as farmers. Payments to unregistered persons totaled $1,282,500. The remaining payments of $1,003,500 were made to registered individuals. Appendix 2 refers.

25. No information or evidence has been provided to indicate how the unregistered persons receiving $1,282,500 were assessed as qualifying for grant award. The Department of Agriculture and Fisheries indicated that it was not involved in the process of assessing the individuals. This was handled by the Premier's Office.

26. Site inspections were performed by audit staff to verify the existence of a sample of persons receiving the farmer's stimulus grant. This was done with the assistance of the Department of Agriculture and Fisheries whose responsibility involves assessing and assisting commercial farmers.

27. Of the 22 properties selected for site visits 11 could not be located by the Agriculture staff. We were therefore unable to verify the existence of these farms. Eleven farms were located. Of these 7 were located on government property leased out to farmers in [redacted] and 4 others were on private lands. Two of the farms visited on private lands showed farming activity, which did not meet the scale of operations criteria for commercial farming.

Determination of Farmer's Grant Amounts

28. The amounts requested by farmers were inflated by the Ministry prior to payment. This resulted in payments that were substantially greater than the amounts requested.

29. Farmers requesting stimulus relief were required to provide details of the type of assistance needed and how the funds would be applied.

30. An audit examination was performed on a sample of requests made by 70 farmers. The entries detailed needs, which varied from [redacted] request for $259.95 to purchase soil, to [redacted] application for $22,000 to build chicken coops and a pig pen.

31. The requests in the sample totaled $351,730.83. The grant amounts paid to persons on this schedule totaled $1,008,000 (See Appendix 3). Almost three times the value of the requests.

32. The audit review found that a standard payment of either $13,500 or $22,500 was made to each farmer irrespective of request or need.

33. The schedules examined showed that the amounts requested by farmers were modified by the Ministry and increased dramatically resulting in significantly larger payouts. An example of the inflated requests is shown in the table below and further (non-exhaustive) examples are in Appendix 4.

Farmers Inflated Payments

Applicant	Purpose or Need	Requested	Inflated To	Difference
[redacted]	Fence	371.97	5,671.97	5,300.00
	Roll Barbed Wire	50.99	7,828.03	7,777.04
		422.96	**13,500.00**	**13,077.04**

34. A few cases were also noted where farmer's requests exceeded the amounts awarded. In such cases the individual was granted the maximum payment of $22,500.

Monitoring Application of Funds Farmers Grants

35. There is no accountability for how the grant amounts were applied despite the excessive amounts awarded.

36. The policy approved by Cabinet included controls to ensure that the grant funds were applied within the intentions of the programme and that value for money was pursued in the attainment of this objective.

37. The approved controls included:

i. Assessment and verification of applicants by the Department of Agriculture and Fisheries or any other entity determined by the Premier's Office.

ii. Assessment by either the Public Works Department, or contractor or quantity surveyor approved by the Premier's Office where repairs to structures or physical works were requested;

iii. Direct payments to suppliers and contractors with the presentation of a proforma invoice;

iv. Monitoring of produce by the Agriculture and Fisheries Department to record growth and progress of the local industry after the programme.

38. On 29 July 2020, the Premier's Office submitted a log of applications to the Ministry ECYAF&A to be reviewed by the Department of Agriculture and Fisheries to ascertain which of the applicants were active. The individuals recorded in the submitted log accounted for less than half of persons receiving stimulus grants, indicating that the assessment process was thereafter assumed by the Premier's Office. The programme was implemented and payments made without any further involvement of the Department of Agriculture and Fisheries or its resources.

39. The Public Works Department was not involved in any assessment related to the programme.

40. The Department of Agriculture and Fisheries has not been able to undertake any substantial monitoring due to resource restrictions.

41. All payments in the programme were made directly to the applicants. No instances were observed where direct payments were made to suppliers or contractors. There were 203 payments to farmers distributed in sums indicated below.

Farming Stimulus Payments		
# of Payments	Value	Total
182	$13,500	$2,457,000
1	$15,000	$15,000
20	$22,500	$450,000
203		$2,922,000

42. The end result was a programme implemented without controls resulting in significant threats to the Government receiving value on the monies distributed into the industry.

Fishermen Stimulus Grants

43. *More than half of the persons receiving fishermen stimulus grants were not registered on the Fishermen Licensed database.*

44. The Fisheries Act 1997 and Fisheries Regulations 2003 require vessels fishing in territorial waters to obtain a fishing licence for boat, owner, master and crew. This conveys permission to fish and facilitates the Agriculture and Fisheries Department in regulating and monitoring the industry. The Regulations also provide that persons failing to adhere to this requirement could be subject to conviction and fines of up to $50,000.

45. Fishermen wishing to take advantage of the stimulus grant were required by the policy to be licensed as commercial fishermen in accordance with the legislation, or to have held such a licence within the past three years. At 20 May 2021 there were 208 payments to fishermen totaling $2,218,000. Approximately 44% of these were made to persons licensed with the Department of Agriculture and Fisheries.

Fishermen Stimulus Payments				
		Licensed		
Fishermen Overall	Paid	Yes	No	Total
Cabinet List Paid	25	23	2	298,000.00
Others Paid	183	65	118	1,920,000.00
	208	88	120	2,218,000.00

46. The stimulus policy also made allowance for unlicensed fishermen to apply for grant award by submitting a notarized letter of referral from a fit and proper person verifying their engagement in fishing for the past three years. The legislation does not however provide for such exceptions. The audit review indicated that more than half (56%) of the payments made in fishermen stimulus grants were to unlicensed individuals. These totaled in excess of $1.2 million.

Fishermen Total Stimulus Payments As At 20 May 2021			
Status	# Persons	Paid $	%
Licensed	88	983,000.00	44%
Unlicensed	120	1,235,000.00	56%
		2,218,000.00	

Cabinet Licensed List For Fishermen

47. The audit examined the distribution of payments between persons who had been submitted to Cabinet as approved licensed fishermen and others outside that list who received payments.

48. The registered Commercial List of fishermen submitted to Cabinet recorded 36 individuals. Thirty-two of these were recorded on the list of licensed fishermen in accordance with the Fisheries Regulations 2003 and 4 were not.

49. At 20 May 2021, twenty-five individuals on that list had been issued fishermen grants in amounts varying from $9,000 to $20,000 for a total of $298,000 as seen in Appendix 5. Grant recipients included two individuals who were not licensed to fish per Agriculture and Fisheries Records.

Fishermen - Cabinet List			
Status	**# on List**	**# Paid**	**Total**
Licensed	**32**	**23**	**263,000.00**
Unlicensed	**4**	**2**	**35,000.00**
			298,000.00

Other Fishermen Payments

50. Sixty-two percent (62%) of other persons receiving fishermen stimulus grants were not registered in the Conservation and Fisheries database as licensed fishermen.

51. In addition to the 25 payments to fishermen on the Cabinet list, the Treasury's records at 20 May 2021 indicated that 183 further payments totaling $1,920,000 were made in fishing grants to other fishermen. Of these individuals, 65 (38%) were registered in the Agriculture and Fisheries licensing database and 118 (62%) were not registered. The table below refers. Appendix 6 provides a list of 'Other Fishermen" that received stimulus grants.

Fishermen - Other Payments			
Status	**# Paid**	**Total**	**% of Total**
Licensed	**65**	**720,000.00**	**38%**
Unlicensed	**118**	**1,200,000.00**	**62%**
	183	**1,920,000.00**	

Fishermen Designation

52. *Multiple members on the same vessel received fishing stimulus grants. No distinction was made with respect to master/owner and crew.*

53. The payments issued to licensed fishermen were for the most part made to the Master/Owner of the vessel. We were however unable to determine designation for most of the persons receiving payments as these were issued to unlicensed individuals.

Designation - ALL PAID Fishermen		
Designation	**# of Payments**	**Amount**
Master Owner	**63**	**685,000.00**
Crew	**25**	**298,000.00**
		983,000.00
Unlicensed	**120**	**1,235,000.00**
		2,218,000.00

54. The records showed cases where both master/owner and crew members on the same vessel received payments. Some of these can be seen in Appendix 7.

55. For the [redacted] the master and crew member received a $20,000 grant each. The two Master/Owners for the [redacted], received a $15,000 grant each. Similarly, the two Master/Owners for the [redacted] also received individual grants ($9,000 each).

56. Three members of the [redacted] the [redacted] and [redacted] each received stimulus payments. Most of these were crew members.

57. The master/owner of the vessels [redacted] & [redacted] was award $9,000. This was less than the amount awarded to one of his crew who received $20,000.

58. There were in addition, instances where the master/owner of the vessel did not receive a relief grant but crew members did. This was seen in the case of the [redacted] where all 3 grant recipients were registered as crew (one received $9,000 and the other two were awarded $15,000 each).

59. Payment of grant amounts to crew members appears inconsistent with the policy which states that the funds are intended for equipment and material purchase, and more in line with a gratuitous payment to persons working on fishing boats.

Application for Fishing Grant

60. Applications were noted where master and crew applied for the same objects and each received payments.

61. The application process entailed submitting completed application forms directly to the Premier's Office together with proof of status, estimate of materials, works to be done or equipment required, and a copy of the fishing licence or notarized letter verifying engagement in fishing for the past three years.

62. An analysis was performed for a sample of 82 applicants for the fishermen stimulus aid. The funding requests were made by 40 Master/Owners, 12 crew and 30 Unlicensed applicants whose designations are unknown, as seen in the table below.

Fishermen - Applicants Requests (Audit Sample)			
Designation	**# of Requests**	**Requested $**	**PAID $**
Master	40	782,547.81	367,000.00
Crew	12	304,282.39	137,000.00
Unlicensed - Designation Unknown	30	874,525.20	243,000.00
		1,961,355.40	747,000.00

63. The applicants' requests commonly included multiple needs (equipment, materials, engine etc). These for the most part, included items as indicated below.

Fishermen – Itemized Request Summary (Audit Sample)		
# of Requests	Need	Sum Requested
19	Boat Repair	129,499.61
46	Engine Replacement	975,972.50
2	Engine Repair	50,539.96
59	Equipment	249,551.39
41	Material	197,169.18
1	Generator	19,978.00
1	Well	59,650.00
1	Safety Equipment	133,839.00
4	Boat (2 without estimates)	127,000.00
1	Overdue Dockage fees	18,155.76
		1,961,355.40

64. Examination of the details revealed instances where both master/owner and crew applied for the same equipment. In one such case, three individuals (master/owner and two crew members) on the [redacted] applied separately for engines and material. All three were awarded grants.

65. *No vetting was performed to assess the legitimacy of requests. Especially given the range of costs submitted for the same needs.*

66. The sample showed an overwhelming request for funds to purchase engines. These varied from $4,100.00 from the Master/Owner of [redacted] to $75,280.00 requested by an unlicensed applicant.

67. There appears to have been no vetting of the applications to ascertain genuine need or to verify the value of the amounts stated. As with the Agricultural grants, the Ministry approved payments in fixed amounts of $9,000; $15,000 and $20,000 per fisherman. No information was provided on how the award for each person was determined. The Agriculture and Fisheries Department advised that they were not involved in this process.

Duplicated & Multiple Payments – Farming & Fishing

68. Instances were noted where individuals received more than one stimulus payment under this programme.

69. Examination of the payments processed through the Treasury indicated that some persons received two payments for Farmer relief as indicated below.

Farmers Duplicate Payments				
Name	**Cheque Date**	**Pay Category**	**Amount**	**Total**
[redacted]	10/26/2020	Farmers Grant	13,500.00	27,000.00
	12/09/2020	Farmers Grant	13,500.00	
[redacted]	10/30/2020	Farmers Grant	13,500.00	27,000.00
	11/27/2020	Farmers Grant	13,500.00	
[redacted]	10/26/2020	Farmers Grant	13,500.00	27,000.00
	12/17/2020	Farmers Grant	13,500.00	

70. Similarly, the two individuals shown below were identified as receiving duplicate grants for fishermen.

Fishermen Duplicate Payment				
Name	**Cheque Date**	**Pay Category**	**Amount**	**Total**
[redacted]	11/25/2020	Fisherman Grant	9,000.00	18,000.00
	01/26/2021	Fisherman Grant	9,000.00	
[redacted]	11/04/2020	Fisherman Grant	9,000.00	20,000.00
	12/01/2020	Fisherman Grant	11,000.00	

71. In addition, a total of 18 individuals received both fishing and farming stimulus grants. The totals for these varied from $22,500 to $42,500 to each person. These are shown in Appendix 8. Other duplicate payments were observed for [redacted] and [redacted] These were however reversed. No reversals were seen for the recipients listed above.

72. There were also individuals who received grants from other government COVID–19 stimulus programmes in addition to receiving the farmer/fisherman grant. Those observed are shown in Appendix 9. There was no system in place to ascertain the genuineness of individuals seeking multiple forms of support.

Registration Databases

73. Databases are maintained by the Department of Agriculture & Fisheries for fishermen and farmers. One as required by the Fisheries Act and Fisheries Regulations for fishermen. The other is maintained for registered farmers (commercial and non-commercial).

74. To assess eligibility of the individuals who received grants under this programme, the audit office used the registration databases provided by Agriculture and Fisheries. Some challenges were encountered as the databases at times did not record complete information. In particular the registration dates on the Agriculture database was often missing.

75. The records listed 579 registered farmers from 2007-2020. Between 2007 and 2009 the log identified 58 registered farmers. In 2020 a total of 159 persons registered as farmers. Of these, 143 did so in the seven-month period after the stimulus programme was announced, from May to November 2020.

76. Another challenge presented by the Agriculture database was the absence of farmer classification into "commercial" and "non-commercial" for the persons registered. Without this we were unable to ascertain true eligibility of registered individuals.

Conclusion

77. The objective of achieving food security is one that should be pursued. This should however be done in a strategic and holistic manner that allows the public agencies and resources charged with the responsibility of overseeing and managing the territory's agriculture and fisheries industries to take the lead and manage the process.

78. The failure to adopt Cabinet's mandated procedures for implementation and monitoring of this programme has resulted in the disbursement of a substantial amount of public funds without effective means of assessing how these were applied and measuring the impact, if any, on the agricultural and fishing industries.

79. The exclusion of the two key agencies (the Ministry of Education, Culture, Youth Affairs, Fisheries & Agriculture and the Department of Agriculture and Fisheries) from this process demonstrates an absence of interest in achieving any real outcome with the payments, which for some served as needed assistance to advance their commercial fishing and agricultural undertakings, but for many were simply gratuitous, meritless awards at the expense of the public.

Recommendations

1. Persons responsible for administering this programme should account for the absence of transparency and accountability.

2. The Ministry (Premier's Office) should provide full information on how decisions on determination of grant award and distribution was arrived at.

3. Fishermen who have been operating unlicensed in territorial waters should be made to license in accordance with the Fisheries Act and Fisheries Regulations.

4. A programme should be implemented by the Department of Agriculture and Fisheries in conjunction with the Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture to follow-up on, and monitor, how the funds have been used by recipients.

5. An assessment should be made as to whether there has been a breach of Public Finance Management Regulations 73(b)(i) and (ii) in the administration of public funds especially as it relates to falsifying the requests made by farmers that resulted in excess payouts.

6. To maximize potential impact and outcome, programmes with long term prospects should be undertaken and managed by the oversight ministries. This allows for improved efficiency and long term monitoring.

7. Where Cabinet in rendering a decision prescribes controls for management of public funds, these should be adopted.

Sonia M Webster
Auditor General
Government of the Virgin Islands

Appendix 1

FARMERS

LIST OF "COMMERCIALLY REGISTERED FARMERS" SUBMITTED TO CABINET

District	Name	Paid	Registered Agriculture
1	[redacted]	22,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1			
1	[redacted]	13,500.00	Y
2	[redacted]	22,500.00	Y
3	[redacted]	22,500.00	Y
3	[redacted]	13,500.00	Y
3	[redacted]	13,500.00	Y
5	[redacted]	22,500.00	Y
5	[redacted]	22,500.00	Y
6	[redacted]	22,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	22,500.00	Y
7	[redacted]	22,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	22,500.00	Y
7	[redacted]	13,500.00	Y
8	[redacted]	13,500.00	Y
8	[redacted]	13,500.00	Y
9	[redacted]	13,500.00	Y
9	[redacted]	13,500.00	Y
9	[redacted]	13,500.00	Y
9	[redacted]	22,500.00	Y
9	[redacted]	13,500.00	Y
9	[redacted]	13,500.00	Y
9	[redacted]	13,500.00	Y
1	[redacted]	22,500.00	N
1	[redacted]	22,500.00	N
1	[redacted]	13,500.00	N
2	[redacted]	13,500.00	N
5	[redacted]	13,500.00	N
9	[redacted]	15,000.00	N
9	[redacted]	13,500.00	N
9	[redacted]	13,500.00	N
9	[redacted]	13,500.00	N
9	[redacted]	13,500.00	N
		636,000.00	

Appendix 1
FARMERS

LIST OF "COMMERCIALLY REGISTERED FARMERS"
SUBMITTED TO CABINET

District	Name	Paid	Agriculture Registered
1	[redacted]	0.00	Y
2	[redacted]	0.00	Y
2	[redacted]	0.00	Y
4	[redacted]	0.00	Y
5	[redacted]	0.00	Y
5	[redacted]	0.00	Y
6	[redacted]	0.00	Y
7	[redacted]	0.00	Y
7	[redacted]	0.00	Y
7	[redacted]	0.00	Y
8	[redacted]	0.00	Y
8	[redacted]	0.00	Y
8	[redacted]	0.00	Y
8	[redacted]	0.00	Y
8	[redacted]	0.00	Y
9	[redacted]	0.00	Y
9	[redacted]	0.00	Y
9	[redacted]	0.00	Y
9	[redacted]	0.00	Y
9	[redacted]	0.00	Y
9	[redacted]	0.00	Y
9	[redacted]	0.00	Y
9	[redacted]	0.00	Y
9	[redacted]	0.00	Y
1	[redacted]	0.00	N
1	[redacted]	0.00	N
2	[redacted]	0.00	N
2	[redacted]	0.00	N
3	[redacted]	0.00	N
3	[redacted]	0.00	N
3	[redacted]	0.00	N
3	[redacted]	0.00	N
4	[redacted]	0.00	N
5	[redacted]	0.00	N
6	[redacted]	0.00	N
6	[redacted]	0.00	N

Appendix 1

FARMERS

LIST OF "COMMERCIALLY REGISTERED FARMERS" SUBMITTED TO CABINET

District	Name	Paid	Agriculture Registered
7	[redacted]	0.00	N
7	[redacted]	0.00	N
7	[redacted]	0.00	N
7	[redacted]	0.00	N
7	[redacted]	0.00	N
7	[redacted]	0.00	N
7	[redacted]	0.00	N
8	[redacted]	0.00	N
8	[redacted]	0.00	N
8	[redacted]	0.00	N
8	[redacted]	0.00	N
8	[redacted]	0.00	N
8	[redacted]	0.00	N
9	[redacted]	0.00	N
9	[redacted]	0.00	N
9	[redacted]	0.00	N
9	[redacted]	0.00	N
9	[redacted]	0.00	N
9	[redacted]	0.00	N
9	[redacted]	0.00	N

Appendix 2
FARMERS

Other Payments
(Farmers Who Were Not On Cabinet List)

District	First Name	JDE Actual Paid	Agriculture Registered
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
1	[redacted]	13,500.00	Y
2	[redacted]	13,500.00	Y
2	[redacted]	22,500.00	Y
2	[redacted]	13,500.00	Y
2	[redacted]	13,500.00	Y
2	[redacted]	13,500.00	Y
2	[redacted]	13,500.00	Y
2	[redacted]	13,500.00	Y
2	[redacted]	13,500.00	Y
2	[redacted]	13,500.00	Y
2	[redacted]	13,500.00	Y
2	[redacted]	22,500.00	Y
2	[redacted]	13,500.00	Y
2	[redacted]	13,500.00	Y
3	[redacted]	13,500.00	Y
3	[redacted]	13,500.00	Y
3	[redacted]	13,500.00	Y
4	[redacted]	13,500.00	Y
5	[redacted]	13,500.00	Y
5	[redacted]	13,500.00	Y
5	[redacted]	13,500.00	Y
5	[redacted]	13,500.00	Y
5	[redacted]	13,500.00	Y
5	[redacted]	13,500.00	Y

Appendix 2
FARMERS

Other Payments
(Farmers Who Were Not On Cabinet List)

District	First Name	JDE Actual Paid	Agriculture Registered
5	[redacted]	13,500.00	Y
6	[redacted]	13,500.00	Y
6	[redacted]	13,500.00	Y
6	[redacted]	13,500.00	Y
6	[redacted]	13,500.00	Y
6	[redacted]	13,500.00	Y
6	[redacted]	13,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	22,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	13,500.00	Y
7	[redacted]	22,500.00	Y
7	[redacted]	13,500.00	Y
8	[redacted]	13,500.00	Y
8	[redacted]	13,500.00	Y
8	[redacted]	13,500.00	Y
8	[redacted]	22,500.00	Y
8	[redacted]	13,500.00	Y
9	[redacted]	13,500.00	Y
9	[redacted]	13,500.00	Y
9	[redacted]	13,500.00	Y
9	[redacted]	13,500.00	Y
9	[redacted]	13,500.00	Y
9	[redacted]	13,500.00	Y
	Registered	**1,003,500.00**	

Appendix 2
FARMERS

Other Payments
(Farmers Who Were Not On Cabinet List)

District	Name	JDE Actual Paid	Agriculture Registered
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	22,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	22,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
1	[redacted]	13,500.00	N
2	[redacted]	13,500.00	N
2	[redacted]	13,500.00	N
2	[redacted]	13,500.00	N
2	[redacted]	13,500.00	N
2	[redacted]	13,500.00	N
2	[redacted]	13,500.00	N
2	[redacted]	13,500.00	N
2	[redacted]	13,500.00	N
2	[redacted]	13,500.00	N
2	[redacted]	13,500.00	N
2	[redacted]	13,500.00	N
3	[redacted]	13,500.00	N
3	[redacted]	13,500.00	N
3	[redacted]	13,500.00	N
3	[redacted]	13,500.00	N
4	[redacted]	13,500.00	N
4	[redacted]	13,500.00	N

Appendix 2
FARMERS

Other Payments
(Farmers Who Were Not On Cabinet List)

District	Name	JDE Actual Paid	Agriculture Registered
4	[redacted]	13,500.00	N
5	[redacted]	13,500.00	N
5	[redacted]	13,500.00	N
5	[redacted]	13,500.00	N
5	[redacted]	13,500.00	N
5	[redacted]	13,500.00	N
5	[redacted]	13,500.00	N
5	[redacted]	13,500.00	N
5	[redacted]	13,500.00	N
5	[redacted]	13,500.00	N
5	[redacted]	13,500.00	N
5	[redacted]	13,500.00	N
5	[redacted]	13,500.00	N
6	[redacted]	13,500.00	N
6	[redacted]	13,500.00	N
6	[redacted]	13,500.00	N
6	[redacted]	13,500.00	N
6	[redacted]	13,500.00	N
6	[redacted]	13,500.00	N
6	[redacted]	13,500.00	N
7	[redacted]	13,500.00	N
7	[redacted]	13,500.00	N
7	[redacted]	13,500.00	N
7	[redacted]	13,500.00	N
8	[redacted]	13,500.00	N
8	[redacted]	13,500.00	N
8	[redacted]	13,500.00	N
8	[redacted]	13,500.00	N
8	[redacted]	13,500.00	N
8	[redacted]	13,500.00	N
8	[redacted]	13,500.00	N
8	[redacted]	13,500.00	N
8	[redacted]	13,500.00	N
9	[redacted]	13,500.00	N
9	[redacted]	13,500.00	N
9	[redacted]	13,500.00	N
9	[redacted]	13,500.00	N
9	[redacted]	22,500.00	N
9	[redacted]	13,500.00	N

Appendix 2
FARMERS

Other Payments
(Farmers Who Were Not On Cabinet List)

District	Name	IDE Actual Paid	Agriculture Registered
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
	[redacted]	13,500.00	N
Unregistered		1,282,500.00	
Registered		1,003,500.00	
Total		2,286,000.00	

Appendix 3
FARMERS

Summary of Inflated Farmers Requests*

#	Name	Total Requested $	Actual Paid $	Difference $	Difference %
1	[redacted]	259.95	13,500.00	13,240.05	5093%
2	[redacted]	283.00	13,500.00	13,217.00	4670%
3	[redacted]	422.96	13,500.00	13,077.04	3092%
4	[redacted]	737.92	13,500.00	12,762.08	1729%
5	[redacted]	854.25	13,500.00	12,645.75	1480%
6	[redacted]	1,193.74	13,500.00	12,306.26	1031%
7	[redacted]	1,214.00	13,500.00	12,286.00	1012%
8	[redacted]	1,245.97	13,500.00	12,254.03	983%
9	[redacted]	1,340.50	13,500.00	12,159.50	907%
10	[redacted]	1,435.00	13,500.00	12,065.00	841%
11	[redacted]	1,454.45	13,500.00	12,045.55	828%
12	[redacted]	1,489.38	13,500.00	12,010.62	806%
13	[redacted]	1,560.50	13,500.00	11,939.50	765%
14	[redacted]	1,664.75	13,500.00	11,835.25	711%
15	[redacted]	1,780.00	13,500.00	11,720.00	658%
16	[redacted]	1,915.14	13,500.00	11,584.86	605%
17	[redacted]	1,927.94	13,500.00	11,572.06	600%
18	[redacted]	2,013.98	13,500.00	11,486.02	570%
19	[redacted]	2,020.99	13,500.00	11,479.01	568%
20	[redacted]	2,261.99	13,500.00	11,238.01	497%
21	[redacted]	2,306.55	13,500.00	11,193.45	485%
22	[redacted]	2,400.00	13,500.00	11,100.00	463%
23	[redacted]	2,481.45	13,500.00	11,018.55	444%
24	[redacted]	2,514.47	13,500.00	10,985.53	437%
25	[redacted]	2,539.99	13,500.00	10,960.01	431%
26	[redacted]	2,542.98	13,500.00	10,957.02	431%
27	[redacted]	2,589.40	13,500.00	10,910.60	421%
28	[redacted]	2,840.00	13,500.00	10,660.00	375%
29	[redacted]	2,884.37	13,500.00	10,615.63	368%
30	[redacted]	2,921.90	13,500.00	10,578.10	362%
31	[redacted]	2,994.94	22,500.00	19,505.06	651%
32	[redacted]	3,017.98	22,500.00	19,482.02	646%
33	[redacted]	3,300.40	13,500.00	10,199.60	309%
34	[redacted]	3,500.00	13,500.00	10,000.00	286%
35	[redacted]	3,641.48	13,500.00	9,858.52	271%
36	[redacted]	3,687.87	13,500.00	9,812.13	266%
37	[redacted]	3,782.62	13,500.00	9,717.38	257%

Appendix 3
FARMERS

Summary of Inflated Farmers Requests*

#	Name	Total Requested $	Actual Paid $	Difference $	Difference %
38		4,032.54	13,500.00	9,467.46	235%
39		4,500.00	22,500.00	18,000.00	400%
40		4,608.93	13,500.00	8,891.07	193%
41		4,676.41	13,500.00	8,823.59	189%
42		4,789.84	13,500.00	8,710.16	182%
43		4,796.00	13,500.00	8,704.00	181%
44		4,857.97	13,500.00	8,642.03	178%
45		4,961.22	13,500.00	8,538.78	172%
46		4,994.05	13,500.00	8,505.95	170%
47		5,038.30	13,500.00	8,461.70	168%
48		5,103.00	13,500.00	8,397.00	165%
49		5,218.00	13,500.00	8,282.00	159%
50		5,290.00	13,500.00	8,210.00	155%
51		6,470.00	13,500.00	7,030.00	109%
52		6,814.49	13,500.00	6,685.51	98%
53		6,919.23	13,500.00	6,580.77	95%
54		7,002.54	13,500.00	6,497.46	93%
55		7,078.85	13,500.00	6,421.15	91%
56		7,208.00	13,500.00	6,292.00	87%
57		7,408.70	13,500.00	6,091.30	82%
58		7,603.65	13,500.00	5,896.35	78%
59		7,960.00	13,500.00	5,540.00	70%
60		8,280.00	13,500.00	5,220.00	63%
61		9,474.98	13,500.00	4,025.02	42%
62		9,627.21	13,500.00	3,872.79	40%
63		9,800.00	13,500.00	3,700.00	38%
64		11,798.65	13,500.00	1,701.35	14%
65		11,947.20	13,500.00	1,552.80	13%
66		12,360.00	13,500.00	1,140.00	9%
67		15,552.21	22,500.00	6,947.79	45%
68		16,862.68	22,500.00	5,637.32	33%
69		19,673.37	22,500.00	2,826.63	14%
70		22,000.00	22,500.00	500.00	2%
		351,730.83	***1,008,000.00***	***656,269.17***	

*** The above Appendix is based on sample of requests for Agricultural Stimulus Grants**

Appendix 4

FARMERS

Details of Farmers' Requested Amounts Inflated

Name	Requested Need	Requested Aid	Amount Approved	Difference
[redacted]	Material For Pen	824.94	9,830.00	9,005.06
	Farming Machinery	2,170.00	12,670.00	10,500.00
		2,994.94	22,500.00	19,505.06
[redacted]	Water Tank	3,863.97	4,455.04	591.07
	Weed Eater Machine	285.99	4,085.99	3,800.00
	Fencing Cyclone	458.97	4,958.97	4,500.00
		4,608.93	13,500.00	8,891.07
[redacted]	Fence Posts & Fence	2,594.05	8,894.05	6,300.00
	Hymac to clean Land	2,400.00	4,605.95	2,205.95
		4,994.05	13,500.00	8,505.95
[redacted]	Fence	371.97	5,671.97	5,300.00
	Roll Barbed Wire	50.99	7,828.03	7,777.04
		422.96	13,500.00	13,077.04
[redacted]	Tank	1,287.99	5,587.99	4,300.00
	Wire & Rope	377.40	6,162.26	5,784.86
	Pro Mix	249.75	1,749.75	1,500.00
		1,915.14	13,500.00	11,584.86
[redacted]	Galvanized	2,129.70	4,329.70	2,200.00
	Wood	429.00	2,946.38	2,517.38
	Fencing	1,223.92	6,223.92	5,000.00
		3,782.62	13,500.00	9,717.38
[redacted]	Cleaning for land	2,400.00	13,500.00	11,100.00
		2,400.00	13,500.00	11,100.00
[redacted]	Animal Feed	2,490.00	6,894.00	4,404.00
	Fencing Material	2,306.00	6,606.00	4,300.00
		4,796.00	13,500.00	8,704.00

Appendix 4

FARMERS

Details of Farmers' Requested Amounts Inflated

Name	Requested Need	Requested Aid	Amount Approved	Difference
[redacted]	Fencing	1,583.64	5,751.10	4,167.46
	Equipment	2,448.90	7,748.90	5,300.00
		4,032.54	13,500.00	9,467.46
[redacted]	Water Tank	1,990.00	3,886.35	1,896.35
	Fencing Material	1,613.65	5,313.65	3,700.00
	Labour	4,000.00	4,300.00	300.00
		7,603.65	13,500.00	5,896.35
[redacted]	Materials for Farming	12,360.00	13,500.00	1,140.00
		12,360.00	13,500.00	1,140.00
[redacted]	Water Tank/Pipe	1,339.99	8,300.00	6,960.01
	Land Clearing	1,200.00	5,200.00	4,000.00
		2,539.99	13,500.00	10,960.01

The above is not a complete list of all submissions.

FISHERMEN REGISTERED FOR ECONOMIC STIMULUS

Submitted to Cabinet

Name		Dis-trict	Vessel	Designation	L'cnsd	GRANT AMT PAID
		1		Master/Owner	Y	20,000.00
		1		Master/Owner	Y	20,000.00
		1		Master/Owner	Y	9,000.00
		1		Master/Owner	Y	9,000.00
		2		Master/Owner	Y	9,000.00
		2		Master/Owner	Y	20,000.00
		2		Master/Owner	Y	20,000.00
		2		Master/Owner	Y	-
		2		Master/Owner	Y	-
		2		Master/Owner	Y	9,000.00
		3		Master/Owner	Y	9,000.00
		3		Master/Owner	Y	9,000.00
		4		Master/Owner	Y	9,000.00
		4		Crew	Y	9,000.00
		5		Master/Owner	Y	-
		5		Master/Owner	Y	9,000.00
		5		Master/Owner	Y	-
		6		Master/Owner	Y	-
		7		Master/Owner	Y	9,000.00
		7		Master/Owner	Y	9,000.00
		8		Master/Owner	Y	-
		8		Master/Owner	Y	9,000.00
		9		Master/Owner	Y	-
		9		Master/Owner	Y	9,000.00
		9		Master/Owner	Y	-
		9		Master/Owner	Y	-
		9		Master/Owner	Y	9,000.00
		9		Master/Owner	Y	9,000.00
		9		Master/Owner	Y	15,000.00
		9		Master/Owner	Y	15,000.00
		9		Master/Owner	Y	9,000.00
		9		Master/Owner	Y	9,000.00
		2		No Information	N	20,000.00
		3		No Information	N	-
		9		No Information	N	15,000.00
		9		No Information	N	-
			TOTAL			298,000.00

Y – Licensed N - Not licensed

Other Fishermen Receiving Payment
(Not Submitted to Cabinet)

First Name	Last Name	Designation	Vessel	Licensed	GRANT AMOUNT PAID
[redacted]	[redacted]	Master/Owner	[redacted]	Y	20,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	20,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	20,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	20,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	20,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	15,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	15,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	20,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	15,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00

Other Fishermen Receiving Payment
(Not Submitted to Cabinet)

First Name	Last Name	Designation	Vessel	Licensed	GRANT AMOUNT PAID
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	20,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	20,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	20,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	15,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	15,000.00
[redacted]	[redacted]	Crew	[redacted]	Y	15,000.00
[redacted]	[redacted]	Master/Owner	[redacted]	Y	9,000.00
			Total to Licensed Fishermen		720,000.00

Other Fishermen Receiving Payment
(Not Submitted to Cabinet)

First Name	Last Name	Designation	Vessel	Licensed	GRANT AMOUNT PAID
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	20,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	20,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	15,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	20,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00

Other Fishermen Receiving Payment
(Not Submitted to Cabinet)

First Name	Last Name	Designation	Vessel	Licensed	GRANT AMOUNT PAID
[redacted]	[redacted]	No Information		N	15,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	20,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	20,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9

Other Fishermen Receiving Payment
(Not Submitted to Cabinet)

First Name	Last Name	Designation	Vessel	Licensed	GRANT AMOUNT PAID
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	12,000.00
[redacted]	[redacted]	No Information		N	15,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	20,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	11,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00

Other Fishermen Receiving Payment
(Not Submitted to Cabinet)

First Name	Last Name	Designation	Vessel	Licensed	GRANT AMOUNT PAID
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	15,000.00
[redacted]	[redacted]	No Information		N	15,000.00
[redacted]	[redacted]	No Information		N	15,000.00
[redacted]	[redacted]	No Information		N	15,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	9,000.00
[redacted]	[redacted]	No Information		N	15,000.00
[redacted]	[redacted]	No Information		N	15,000.00
		Total Paid to Unlicensed Fishermen			**1,200,000.00**
		Grand Total for Other Payments			**1,920,000.00**

Fishermen - Multiple Payments Per Vessel

VESSEL/FISHERMAN	Designation	PAYMENT $
[redacted]		
[redacted]	Master/Owner	20,000.00
[redacted]	Crew	20,000.00
		40,000.00
[redacted]		
[redacted]	Master/Owner	15,000.00
[redacted]	Master/Owner	15,000.00
		30,000.00
[redacted]		
[redacted]	Master/Owner	9,000.00
[redacted]	Crew	9,000.00
		18,000.00
[redacted]		
[redacted]	Master/Owner	9,000.00
[redacted]	Crew	20,000.00
[redacted]	Crew	9,000.00
		38,000.00
[redacted]		
[redacted]	Crew	9,000.00
[redacted]	Crew	9,000.00
		18,000.00
[redacted]		
[redacted]	Master/Owner	9,000.00
[redacted]	Crew	9,000.00
[redacted]	Crew	9,000.00
		27,000.00
[redacted]		
[redacted]	Crew	9,000.00
[redacted]	Crew	15,000.00
[redacted]	Crew	15,000.00
		39,000.00

VESSEL/FISHERMAN	Designation	PAYMENT $
[redacted]		
[redacted]	Master/Owner	9,000.00
[redacted]	Crew	9,000.00
		18,000.00
[redacted]	Master/Owner	9,000.00
[redacted]	Crew	9,000.00
		18,000.00
[redacted]	Master/Owner	9,000.00
[redacted]	Master/Owner	9,000.00
		18,000.00
[redacted]	Crew	9,000.00
[redacted]	Crew	9,000.00
		18,000.00
[redacted]	Master/Owner	20,000.00
[redacted]	Crew	20,000.00
		40,000.00
[redacted]	Master/Owner	9,000.00
[redacted]	Crew	9,000.00
[redacted]	Crew	9,000.00
		27,000.00
[redacted]	Crew	9,000.00
[redacted]	Master/Owner	20,000.00
		29,000.00
[redacted]	Master/Owner	9,000.00
[redacted]	Crew	9,000.00
		18,000.00

VESSEL/FISHERMAN	Designation	PAYMENT $
[redacted]		
[redacted]	**Master/Owner**	**15,000.00**
[redacted]	**Crew**	**15,000.00**
		30,000.00
[redacted]		
[redacted]	**Master/Owner**	**9,000.00**
[redacted]	**Crew**	**9,000.00**
		18,000.00

Receiving Payments as Farmer and Fisherman

Name	Category	AMOUNT	TOTAL
[redacted]	Farmer	22,500.00	31,500.00
	Fisherman	9,000.00	
[redacted]	Farmer	13,500.00	22,500.00
	Fisherman	9,000.00	
[redacted]	Farmer	13,500.00	22,500.00
	Fisherman	9,000.00	
[redacted]	Farmer	13,500.00	33,500.00
	Fisherman	20,000.00	
[redacted]	Farmer	13,500.00	22,500.00
	Fisherman	9,000.00	
[redacted]	Farmer	13,500.00	33,500.00
	Fisherman	20,000.00	
[redacted]	Farmer	13,500.00	33,500.00
	Fisherman	20,000.00	
[redacted]	Farmer	15,000.00	30,000.00
	Fisherman	15,000.00	
[redacted]	Farmer	13,500.00	22,500.00
	Fisherman	9,000.00	
[redacted]	Farmer	13,500.00	22,500.00
	Fisherman	9,000.00	
[redacted]	Farmer	22,500.00	31,500.00
	Fisherman	9,000.00	
[redacted]	Farmer	13,500.00	22,500.00
	Fisherman	9,000.00	
[redacted]	Farmer	22,500.00	42,500.00
	Fisherman	20,000.00	
[redacted]	Farmer	13,500.00	22,500.00
	Fisherman	9,000.00	
[redacted]	Farmer	13,500.00	22,500.00
	Fisherman	9,000.00	
[redacted]	Farmer	13,500.00	22,500.00
	Fisherman	9,000.00	
[redacted]	Farmer	13,500.00	22,500.00
	Fisherman	9,000.00	
[redacted]	Farmer	13,500.00	28,500.00
	Fisherman	15,000.00	
Total		**489,500.00**	

Appendix 9

Grant Payments From Multiple Stimulus Programmes

Name	Type of Grant	Amount	Total
[redacted]	Farmer's Grant	13,500.00	**19,863.00**
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	**18,500.00**
	HOA Assistance Grant	5,000.00	
[redacted]	Fisherman's Grant	9,000.00	**10,000.00**
	HOA Assistance Grant	1,000.00	
[redacted]	Farmer's Grant	13,500.00	**19,863.00**
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	22,500.00	
	Small Business Grant	6,363.00	**35,226.00**
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	**14,400.00**
	HOA Assistance Grant	900.00	
[redacted]	Farmer's Grant	13,500.00	**14,850.00**
	HOA Assistance Grant	1,350.00	
[redacted]	Farmer's Grant	13,500.00	**20,863.00**
	HOA Assistance Grant	1,000.00	
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	**15,300.00**
	HOA Assistance Grant	1,800.00	
[redacted]	Farmer's Grant	13,500.00	**15,000.00**
	HOA Assistance Grant	1,500.00	
[redacted]	Fisherman's Grant	9,000.00	**9,500.00**
	HOA Assistance Grant	500.00	
[redacted]	Fisherman's Grant	9,000.00	**15,363.00**
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	**26,226.00**
	Small Business Grant	6,363.00	
	Small Business Grant	6,363.00	

Appendix 9

Grant Payments From Multiple Stimulus Programmes

Name	Type of Grant	Amount	Total
[redacted]	Farmer's Grant	22,500.00	**24,091.00**
	Small Business Grant	1,591.00	
[redacted]	Fisherman's Grant	15,000.00	**21,363.00**
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	**34,500.00**
	Fisherman's Grant	20,000.00	
	HOA Assistance Grant	1,000.00	
[redacted]	Farmer's Grant	13,500.00	**23,454.00**
	HOA Assistance Grant	2,000.00	
	Small Business Grant	7,954.00	
[redacted]	Farmer's Grant	13,500.00	**15,000.00**
	HOA Assistance Grant	1,500.00	
[redacted]	Fisherman's Grant	9,000.00	**16,772.00**
	HOA Assistance Grant	3,000.00	
	Small Business Grant	4,772.00	
[redacted]	Fisherman's Grant	9,000.00	**10,000.00**
	HOA Assistance Grant	1,000.00	
[redacted]	Farmer's Grant	13,500.00	**21,863.00**
	HOA Assistance Grant	2,000.00	
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	**26,226.00**
	Small Business Grant	6,363.00	
	Small Business Grant	6,363.00	
[redacted]	HOA Assistance Grant	2,500.00	**7,272.00**
	Small Business Grant	4,772.00	
[redacted]	Fisherman's Grant	9,000.00	**20,135.00**
	Small Business Grant	4,772.00	
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	**14,350.00**
	HOA Assistance Grant	850.00	

Appendix 9

Grant Payments From Multiple Stimulus Programmes

Name	Type of Grant	Amount	Total
[redacted]	Farmer's Grant	13,500.00	**19,863.00**
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	**23,044.00**
	Small Business Grant	4,772.00	
	Small Business Grant	4,772.00	
[redacted]	Fisherman's Grant	20,000.00	**22,500.00**
	HOA Assistance Grant	500.00	
	HOA Assistance Grant	500.00	
	HOA Assistance Grant	1,500.00	
[redacted]	Fisherman's Grant	9,000.00	**10,000.00**
	HOA Assistance Grant	1,000.00	
[redacted]	Fisherman's Grant	20,000.00	**21,000.00**
	HOA Assistance Grant	1,000.00	
[redacted]	Farmer's Grant	13,500.00	**14,500.00**
	HOA Assistance Grant	1,000.00	
[redacted]	Farmer's Grant	13,500.00	**19,863.00**
	Small Business Grant	6,363.00	
[redacted]	Fisherman's Grant	9,000.00	**15,363.00**
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	**19,863.00**
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	**18,872.00**
	HOA Assistance Grant	600.00	
	Small Business Grant	4,772.00	
[redacted]	Farmer's Grant	22,500.00	**27,760.48**
	HOA Assistance Grant	1,400.00	
	HOA Assistance Grant	3,860.48	
[redacted]	Farmer's Grant	13,500.00	**16,500.00**
	HOA Assistance Grant	3,000.00	

Appendix 9

Grant Payments From Multiple Stimulus Programmes

Name	Type of Grant	Amount	Total
[redacted]	Farmer's Grant	13,500.00	**14,200.00**
	HOA Assistance Grant	700.00	
[redacted]	Fisherman's Grant	9,000.00	**15,363.00**
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	**20,500.00**
	HOA Assistance Grant	2,000.00	
	HOA Assistance Grant	5,000.00	
[redacted]	Farmer's Grant	13,500.00	**18,272.00**
	Small Business Grant	4,772.00	
[redacted]	Fisherman's Grant	9,000.00	
	HOA Assistance Grant	400.00	**9,400.00**
[redacted]	Farmer's Grant	13,500.00	**14,400.00**
	HOA Assistance Grant	900.00	
[redacted]	Fisherman's Grant	9,000.00	**17,863.00**
	HOA Assistance Grant	2,500.00	
	Small Business Grant	6,363.00	
[redacted]	Fisherman's Grant	9,000.00	**15,363.00**
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	**19,863.00**
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	**19,863.00**
	Small Business Grant	6,363.00	
[redacted]	Fisherman's Grant	9,000.00	**13,772.00**
	Small Business Grant	4,772.00	
[redacted]	Fisherman's Grant	9,000.00	**10,000.00**
	HOA Assistance Grant	1,000.00	
[redacted]	Farmer's Grant	13,500.00	**19,863.00**
	Small Business Grant	6,363.00	

Appendix 9

Grant Payments From Multiple Stimulus Programmes

Name	Type of Grant	Amount	Total
[redacted]	Farmer's Grant	13,500.00	14,350.00
	HOA Assistance Grant	850.00	
[redacted]	Farmer's Grant	13,500.00	26,226.00
	Small Business Grant	6,363.00	
	Small Business Grant	6,363.00	
[redacted]	Fisherman's Grant	9,000.00	9,800.00
	HOA Assistance Grant	800.00	
[redacted]	Fisherman's Grant	9,000.00	10,500.00
	HOA Assistance Grant	1,500.00	
[redacted]	Farmer's Grant	13,500.00	15,500.00
	HOA Assistance Grant	2,000.00	
[redacted]	Farmer's Grant	13,500.00	19,863.00
	Small Business Grant	6,363.00	
[redacted]	Fisherman's Grant	9,000.00	21,000.00
	Fisherman's Grant	11,000.00	
	HOA Assistance Grant	1,000.00	
[redacted]	Farmer's Grant	13,500.00	28,863.00
	Fisherman's Grant	9,000.00	
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	22,500.00	28,863.00
	Small Business Grant	6,363.00	
[redacted]	Farmer's Grant	13,500.00	14,500.00
	HOA Assistance Grant	1,000.00	
[redacted]	Farmer's Grant	13,500.00	13,900.00
	HOA Assistance Grant	400.00	
[redacted]	Farmer's Grant	13,500.00	14,250.00
	HOA Assistance Grant	750.00	
[redacted]	Fisherman's Grant	9,000.00	15,363.00
	Small Business Grant	6,363.00	

Appendix 9

Grant Payments From Multiple Stimulus Programmes

Name	Type of Grant	Amount	Total
[redacted]	Farmer's Grant	13,500.00	**28,863.00**
	Fisherman's Grant	9,000.00	
	Small Business Grant	6,363.00	
[redacted]	Fisherman's Grant	9,000.00	**13,000.00**
	HOA Assistance Grant	4,000.00	
[redacted]	Fisherman's Grant	20,000.00	**21,500.00**
	HOA Assistance Grant	1,500.00	
[redacted]	Farmer's Grant	13,500.00	**14,400.00**
	HOA Assistance Grant	900.00	
[redacted]	Fisherman's Grant	15,000.00	**17,000.00**
	HOA Assistance Grant	2,000.00	
[redacted]	Farmer's Grant	13,500.00	**14,400.00**
	HOA Assistance Grant	900.00	
[redacted]	Farmer's Grant	13,500.00	**23,000.00**
	Fisherman's Grant	9,000.00	
	HOA Assistance Grant	500.00	
[redacted]	Farmer's Grant	13,500.00	**33,363.00**
	Farmer's Grant	13,500.00	
	Small Business Grant	6,363.00	
[redacted]	Fisherman's Grant	9,000.00	**11,000.00**
	HOA Assistance Grant	2,000.00	
[redacted]	Farmer's Grant	13,500.00	**23,300.00**
	Fisherman's Grant	9,000.00	
	HOA Assistance Grant	800.00	

AUDIT REPORT



COVID-19 Stimulus Grants To Religious Institutions, Civic Groups, Private Schools & Daycares

Special Report of the Auditor General

This report has been prepared under section 20 of the Audit Act 2003 which prescribes that:

20. (1) The Auditor General may at any time prepare and submit a special report to the Governor if she is satisfied that there is a matter that should be brought to the attention of the Governor.

(2) The Governor shall, within three months of the receipt of the special report, cause the report to be laid before the Legislative Council.

(3) The Auditor General shall at the same time as submitting the special report to the Governor submit a copy of the special report to the Minister and the Financial Secretary.

Contents

Executive Summary 1

Objective and Scope 2

Programme Purpose 3

Budgeted Amount 3

Actual Expenditure to Date 3

Beneficiaries 3

Policy 3

Findings 4

Religious Institutions 4

Schools and Daycares 6

Committee's Grant Assessments 7

Conclusion 7

Recommendations 8

Appendices 9

Schedule of Appendices

Appendix	Description	Page
1	Religious Institutions Summary	9-11
2	Civic Groups Summary	12
3	Educational Institutions and Daycares Summary	13-14

Executive Summary

E-1. An audit examination was performed to assess the implementation and application of the Government's stimulus programme for religious organisations, civic groups, daycares and private schools that was launched as a part of the COVID-19 recovery initiative.

E-2. The audit process was impeded by the Premier's Office failure to provide documents requested for this review. This is a direct contravention of Audit Act 19 (2)(d) and is contrary to public sector good governance policies of transparency and accountability.

E-3. The grant awards recommended by the working committee were adjusted in the Premier's Office without any effort to maintain the apportionment within the available budget.

E-4. The grant award for religious institutions increased by 662% over the recommended amounts. No criteria was made available for this increase. Eighty percent of the religious institutions did not apply for assistance but were nonetheless approved to receive public grants totaling $1,060,000.00.

E-5. The grant awards for private schools and daycares were amended in an apparent ad-hoc manner and without stated criteria.

E-6. The issuing of unsolicited and extravagant public grants to religious institutions presents a threat to the political independence of these entities.

Objective and Scope

1. The audit covers the activity related to Religious Organisations, Schools, and Civic Groups Grant initiative undertaken by the Government in response to the negative economic impact resulting from COVID-19 shutdowns.

Objective

2. The purpose of the audit is to provide independent information and advice on:

   a. Whether approved procedures were followed in the adoption and execution of this stimulus programme;
   b. Whether the objectives of the programme were achieved;
   c. Whether the funds were applied with due regard to the principles of value for money.

Scope

3. The examination included a review of promulgated public policy with respect to the programme, documents and files obtained from the Ministry of Finance, Cabinet Office, Ministry of Health and Social Development and verification of payment activity through the Treasury System. Interviews were also performed with members of the assessment team.

4. The expenditure and payments quoted in this report are as at 20 May 2021.

Restriction of Scope

5. The Auditor General's Office was unable to obtain the relevant files and information from the Premier's Office pertaining to the COVID-19 stimulus grants which were repeatedly requested by e-mail and telephone. This includes access to databases, documents, reports and other information relevant to policy development and implementation of the programmes.

6. The refusal to present this information is in direct contravention of the VI Constitution and the Audit Act which provide for this office to have access to government documents and records. No public officer expending public funds has the authority to deny information requested for audit purposes.

Documents Referenced in Report	
Registered Schools Database	Register of educational institutes maintained by the Ministry of Education, Culture, Youth Affairs, Agriculture and Fisheries
Religious Institution Database	Register of religious institutions maintained by the Ministry of Health and Social Development
Cabinet List	List of Registered Educational and Religious Institutions approved to Cabinet on 30th September, 2020
Policy Document	As reviewed by Cabinet on 30th September, 2020

Programme Purpose

7. In an attempt to mitigate the spread of the novel coronavirus; (COVID-19) the Government implemented measures to slow the movement of people and reduce the density of mass gatherings. Schools, religious organisations and civic groups were required to close their doors until appropriate measures were put in place to carry on with the new norm.

8. To cushion the impact of the closures, the Government announced in May 2020 that it would be allotting funds to assist daycares, pre-schools, private schools and religious organizations with the costs relating to reopening and compliance with health protocols.

9. At the end of July, organisations interested in receiving assistance were asked to complete an online application survey to allow for an evaluation of their individual needs, and that of the sector as a whole.

Budgeted Amount

10. The initial proposed amount for this Grant Programme was $1,000,000. This was increased via Cabinet by an additional $1,392,818 bringing the total to $2,392,818.

Actual Expenditure to Date

11. Actual expenditure at 20 May 2021 was $2,501,818.

Payments as at 20 May 2021		
	# Payments	Amount
Churches	94	1,554,000.00
Civic Groups	11	55,000.00
		1,609,000.00
*Schools & Daycares	31	892,818.00
		2,501,818.00

*In this report "schools" refer to private educational institutions below tertiary level.

Beneficiaries

12. The grant was open to registered private educational and religious institutions in operation before 1 January, 2020.

Policy

13. Cabinet decision dated on 8 July 2020 required that a Committee be established with responsibility for structuring and administering the grant programme. The policy document prepared by the committee stated that the intention of the programme was to support the continued operations of the institutions and assist them with compliance with the COVID-19 health and safety protocols for re-opening.

14. The document also indicated that all institutions that had re-opened after the COVID-19 shutdowns would qualify for some level of grant award.

Findings

15. The recommended grant awards were adjusted without any effort to maintain the apportionment within the available budget.

16. Institutions were asked to complete an application questionnaire with information on the institution's structure, operating expenditure and revenue and the cost incurred in implementing COVID-19 safety protocols. They were also required to provide evidence of compliance with statutory fees.

17. Based on the evaluations, the committee determined that the approved funds ($1,000,000.00) would be apportioned with religious organizations and civic groups receiving 21% and educational institutions 79% and allotted the funds among the institutions accordingly.

Programme Summary			
	Committee Recommended	**Adjusted**	**Paid**
Religious Institutions	185,772.67	1,415,000.00	1,554,000.00
Civic Groups	25,472.98	0.00	55,000.00
	211,245.65	1,415,000.00	1,609,000.00
Schools & Daycares	788,754.33	907,818.00	892,818.00
	999,999.98	**2,322,818.00**	**2,501,818.00**

Religious Institutions

18. The grant award for religious institutions increased by 662% over the recommended amounts. No criteria was made available for this increase. Eighty percent of the religious institutions did not apply for assistance. These were nonetheless approved to receive grants totaling $1,060,000.00.

19. Twenty percent (19 of the 94) of churches and religious institutions submitted the application questionnaire for stimulus funds. Analysis of the responses indicated that all institutions had suffered severe decline in revenue for the month of April, it also showed that collections had recommenced in May and most (about 62%) had returned to normal or almost normal revenue levels by June.

20. Most churches reported that their total collections for the two-month period May/June exceed their revenues collected in January/February period that was unaffected by the COVID-19 shutdowns. Approximately 84% (16 of 19) churches indicated membership below 200. Income for this group in the pre-COVID period varied from $753.00 to $16,840 for the two months, January and February combined. In the post-COVID period (May/June) this ranged from $863.00-$45,882.00.

21. The committee's assessment for grant award focused on the institutions' COVID related reopening costs. The respondents were required to provide estimates of funds that had already been spent on preparation and estimated amounts that would be required to complete preparation to ensure compliance with health protocols. The application questionnaire did not however require that cost details be provided.

22. The result was cost estimates by institutions that varied from $0.00 to $123,000 without any explanation as to what the preparations entailed. For those investing in preparations the cost per member varied from $1.60 per member for a church with 125 members to $2,506.25 per member for a church with 8 members.

Committee's Recommendations

23. Grant awards totaling $211,245.65 were recommended by the committee for religious organisations and civic groups.

24. The 19 religious institutions that submitted application questionnaires were assessed based on statutory compliance (40%) and cost per member (60%). They were then recommended to receive grants in amounts varying from $1,543.82 to $8,233.69 for a total of $74,617.83.

25. The 60 religious institutions that did not apply for stimulus aid were recommended for grants of $1,287.51 if their non-profit registration fee was unpaid and $2,058.82 if the fee was paid, for a total of $111,154.84.

26. The committee also recommended grant awards totaling $25,472.98 for 15 civic groups in amounts ranging from $1,286.51 to $2,058.42.

Ministry's Adjustments

27. The grant amounts for churches and civic groups were increased seven-fold by the Premier's Office from $211,245.65 to $1,415,000.00 and forwarded to Cabinet for approval. The 15 categorised as "civic groups" were not included on the list sent for Cabinet approval.

Religious Institutions and Civic Groups Summary			
	Committee Recommended	***Adjusted by Premier's Office**	**Payment at 20 May 2021**
Applicants	74,617.83	355,000.00	585,000.00
Non Applicants	111,154.84	1,060,000.00	969,000.00
	185,772.67	1,415,000.00	1,554,000.00
Civic Groups	25,472.98	-	55,000.00
	211,245.65	1,415,000.00	1,609,000.00

*Adjusted by the Premier's Office and approved by Cabinet.

28. At 20 May 2021, a total of 105 payments had been made in grant awards to religious institutions and civic groups. These were in amounts of $20,000; $15,000; $10,000 and $7,000 for a total of $1,609,000. One large institution was divided into its individual parishes to allow for payment of thirteen grant awards of $20,000 each (with each parish church receiving its own grant). Similar instances were observed with other institutions. A summary of the amounts awarded is below.

Religious and Civic - Grants Paid		
# of Grants	**Amount**	**Total**
7	7,000.00	49,000.00
14	10,000.00	140,000.00
19	15,000.00	285,000.00
54	20,000.00	1,080,000.00
11	5,000.00	55,000.00
105		**1,609,000.00**

29. Review of the actual payments through the Treasury system showed that in a number of cases the amounts approved by Cabinet were different to the amounts sent for payment. Grants for 19 institutions

were reduced and the awards for 4 were increased. In addition, at 20 May 2020, no payments were made to 4 of the institutions on the list approved by Cabinet. There were however payments to 2 entities not in the public register.

30. Payments of $5,000.00 each were made to eleven civic groups, although these were not sent for Cabinet consideration and approval.

31. The declaration prepared for the institutions to sign on receiving the funds indicated that the grant award was intended to assist with operation costs, including rent and utilities in addition to addressing COVID-19 health protocols compliance in reopening.

Schools and Daycares

32. *The grant award for Schools and daycares increased by 15% over the recommended amounts in changes that appear ad-hoc and without stated criteria.*

33. The response from educational intuitions to the stimulus grant programme was more robust. As the threat and potential impact of the virus was being assessed daycares and primary schools were among the first institutions to be placed under restrictions (lockdown) which, for this group, commenced on 19 March 2020.

Committee's Recommendations

34. Thirty of the 32 schools in the Ministry's database completed the application survey to be considered for stimulus funding. The committee focused on providing grant assistance for compliance with COVID-19 safety protocols. Through an assessment similar to that performed for churches, grant awards were recommended for all 32 schools. The institutions were assessed based on institutional structure (10%); statutory compliance (30%) and cost per member (60%). The recommended total was $788,754.35 in amounts varying from $8,807.66 to $34,855.86.

Ministry's Adjustments

35. Adjustments made in the Premier's Office increased the total grant amount for educational institutions and daycares to $907,818. Appendix 3 refers.

36. The grant allotment for eleven centers were increased. Seven had an additional $20,000 added to the recommended amount, three others were rounded upwards to $34,500 each and one was rounded upwards to $20,000.

37. In addition, the four centers had their recommended grant allotment reduced.

38. The adjustments appear to have been an effort to correct some of the recommended awards that appeared anomalous (as discussed in the next section). This was however done in a manner that increased the overall grant spending rather than reapportioning the existing approved amounts.

Educational Institutions and Daycares Summary			
	Recommended	**Adjusted**	**Paid**
Applicants	770,764.21	849,828.00	834,828.00
Non Applicants	17,990.12	57,990.00	57,990.00
	788,754.33	**907,818.00**	**892,818.00**

Committee's Grant Assessments

39. Review of the recommended grant amounts submitted by the committee showed anomalies where some smaller institutions were recommended for more generous grant awards than their larger counterparts. In one such example a daycare with an enrollment of 10 was recommended for $34,855.86 whereas a multiple purpose institution – day care, primary and pre-primary – with an enrollment of 138 students was recommended for $9,557.25.

40. Similarly, a church with 8 members was recommended for $6,175.27 and another with 1,247 members was recommended for $3,602.24 to assist with COVID compliance costs. All of the above were affected by loss of revenue during the precautionary period.

41. The anomaly in the grant awards appeared to be caused by two factors. The absence of a weighing element to factor in the size of the institutions ie number of members; and the committee's acceptance of the cost per member submitted by the entities (some of which could have been followed up and adjusted within reason) which accounted for 60% of the weighing.

42. In light of the above, the recommended grant awards should have been reverted to the committee to allow for adjustment and proper allotment within the approved funding.

Conclusion

43. The Committee established to develop the policy and procedures for administration of the programme produced recommendations for grant awards within the approved budget. The awards were changed in the Premier's Office without regard to the available budget resulting in a need for substantial additional funding.

44. Private educational institutions and daycares suffered immediate decline in activity as the territory hastened to mitigate and address its COVID-19 threats, this was compounded by public health COVID-19 precautionary protocols requiring new spending for reopening and operations. The funding provided served to alleviate some of the costs associated with the COVID-19 fallout.

45. No clear objectives were provided with respect to the grants awarded to "civic groups". These payments were not approved by Cabinet and appear gratuitous as they do not address any urgent public health requirements.

46. Religious institutions were affected by the restrictions, but with fewer overheads, appeared more resilient in the reported operational activity. The amounts allotted to religious institutions appear outside of reason, especially as many of the entities did not request funding and the awards were done without information to perform an assessment of needs (if any). Religious institutions perform important social and cultural roles which the government should support in appropriate ways. The application of public funds in the manner seen in this programme, with extravagant and unsupported increases in the COVID-19 stimulus grant awards, create the impression of an inappropriate turn to influence these institutions political independence.

Recommendations

1. The practice of issuing public funds to entities that have not applied, or indicated a need for assistance should cease. There should always be an assessment and needs justification in issuing public grants.

2. Government programmes should be undertaken by the oversight ministry. This allows for better long term monitoring and better outcomes.

3. Budgets are intended to guide public spending. Every effort should be made to ensure that these are observed in the planning and application of public funds. Where additional funding is required for a programme this should be adequately supported and the amounts justified within reason.

4. In no instance should public spending compromise or appear to undermine the political independence or impartiality of non-government institutions.

Sonia M Webster
Auditor General
Government of the Virgin Islands

Appendix 1

Religious Institutions Summary

Name	Committee Submitted	Approved by Cabinet	PAID At 20 May 21
Applicants			
[redacted]	6,175.27	20,000.00	20,000.00
[redacted]	6,175.27	20,000.00	20,000.00
[redacted]	3,602.24	20,000.00	20,000.00
[redacted]	3,602.24	20,000.00	15,000.00
[redacted]	3,602.24	20,000.00	20,000.00
[redacted]	1,543.82	20,000.00	20,000.00
[redacted]	3,602.24	20,000.00	20,000.00
[redacted]	6,175.27	15,000.00	15,000.00
[redacted]	1,543.82	15,000.00	15,000.00
[redacted]	4,631.45	20,000.00	20,000.00
[redacted]	3,602.24	20,000.00	20,000.00
[redacted]	3,602.24	15,000.00	15,000.00
[redacted]	8,233.69	20,000.00	20,000.00
[redacted]	3,087.63	20,000.00	20,000.00
[redacted]	5,146.06	15,000.00	15,000.00
[redacted]	1,543.82	15,000.00	10,000.00
[redacted]	1,543.82	20,000.00	20,000.00
[redacted]	3,602.24	20,000.00	20,000.00
[redacted] *	3,602.24	20,000.00	260,000.00
	74,617.83	355,000.00	585,000.00
*13 payments of $20,000.00 to [redacted]			
Non-Applicants			
[redacted]	2,058.42	15,000.00	15,000.00
[redacted]	1,286.51	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	-
[redacted]	2,058.42	20,000.00	-
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	1,286.51	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	1,286.51	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	10,000.00

Religious Institutions Summary

Name	Committee Submitted	Approved by Cabinet	PAID At 20 May 21
[redacted]	2,058.42	15,000.00	15,000.00
[redacted]	2,058.42	15,000.00	10,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	15,000.00	10,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	1,286.51	15,000.00	7,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	1,286.51	20,000.00	15,000.00
[redacted]	1,286.51	15,000.00	10,000.00
[redacted]	1,286.51	15,000.00	15,000.00
[redacted]	2,058.42	15,000.00	10,000.00
[redacted]	2,058.42	15,000.00	7,000.00
[redacted]	1,286.51	15,000.00	15,000.00
[redacted]	2,058.42	15,000.00	20,000.00
[redacted]	1,286.51	15,000.00	7,000.00
[redacted]	1,286.51	20,000.00	15,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	15,000.00	7,000.00
[redacted]	2,058.42	15,000.00	10,000.00
[redacted]	2,058.42	15,000.00	-
[redacted]	2,058.42	15,000.00	7,000.00
[redacted]	2,058.42	15,000.00	20,000.00
[redacted]	2,058.42	15,000.00	15,000.00
[redacted]	2,058.42	20,000.00	10,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	15,000.00	15,000.00
[redacted]	2,058.42	15,000.00	20,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	20,000.00

Religious Institutions Summary

Name	Committee Submitted	Approved by Cabinet	PAID At 20 May 21
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	20,000.00
[redacted]	2,058.42	15,000.00	7,000.00
[redacted]	1,286.51	20,000.00	20,000.00
[redacted]	1,286.51	15,000.00	15,000.00
[redacted]	1,286.51	15,000.00	10,000.00
[redacted]	2,058.42	15,000.00	20,000.00
[redacted]	2,058.42	15,000.00	15,000.00
[redacted]	1,286.51	15,000.00	15,000.00
[redacted]	1,286.51	20,000.00	-
[redacted]	2,058.42	15,000.00	10,000.00
[redacted]	2,058.42	15,000.00	15,000.00
[redacted]	1,286.51	20,000.00	20,000.00
[redacted]	2,058.42	20,000.00	10,000.00
[redacted]	-	-	15,000.00
[redacted]	-	-	7,000.00
[redacted]	-	-	10,000.00
[redacted]	-	-	10,000.00
[redacted]	-	-	10,000.00
[redacted]	-	-	15,000.00
[redacted]	-	-	20,000.00
Non-Applicants Total	**111,154.84**	**1,060,000.00**	**969,000.00**
Grand Total	**185,772.67**	**1,415,000.00**	**1,554,000.00**

Civic Groups Summary

Name	Submitted by Committee	Approved by Cabinet	Paid
[redacted]	2,058.42	-	5,000.00
[redacted]	1,286.51	-	5,000.00
[redacted]	1,286.51	-	
[redacted]	1,286.51	-	
[redacted]	2,058.42	-	5,000.00
[redacted]	1,286.51	-	5,000.00
[redacted]	1,286.51	-	5,000.00
[redacted]	1,286.51	-	5,000.00
[redacted]	2,058.42	-	5,000.00
[redacted]	2,058.42	-	5,000.00
[redacted]	1,286.51	-	
[redacted]	2,058.42	-	5,000.00
[redacted]	2,058.42	-	
[redacted]	2,058.42	-	5,000.00
[redacted]	2,058.42	-	5,000.00
	25,472.98	-	55,000.00

Educational Institutions and Daycares Summary

Name	Recommended	Awarded	PAID
[redacted]	34,855.86	34,856.00	34,856.00
[redacted]	17,615.33	37,615.00	37,615.00
[redacted]	34,855.86	34,856.00	34,856.00
[redacted]	34,855.86	34,856.00	34,856.00
[redacted]	9,182.46	29,182.00	29,182.00
[redacted]	34,481.06	20,000.00	20,000.00
[redacted]	32,419.70	32,420.00	32,420.00
[redacted]	9,557.25	29,557.00	29,557.00
[redacted]	22,862.44	22,862.00	22,862.00
[redacted]	26,422.99	26,423.00	26,423.00
[redacted]	20,051.49	20,051.00	20,051.00
[redacted]	17,615.33	37,615.00	37,615.00
[redacted]	26,048.20	15,000.00	0.00
[redacted]	23,612.03	23,612.00	23,612.00
[redacted]	9,182.46	29,182.00	29,182.00
[redacted]	17,240.53	20,000.00	20,000.00
[redacted]	28,484.36	15,000.00	15,000.00
[redacted]	28,859.15	20,000.00	20,000.00
[redacted]	20,426.28	34,500.00	34,500.00
[redacted]	29,608.74	29,609.00	29,609.00
[redacted]	23,612.03	34,500.00	34,500.00
[redacted]	8,807.66	28,808.00	28,808.00
[redacted]	15,179.16	35,179.00	35,179.00
[redacted]	34,481.06	34,481.00	34,481.00
[redacted]	34,481.06	34,481.00	34,481.00
[redacted]	20,426.28	34,500.00	34,500.00
[redacted]	26,422.99	26,423.00	26,423.00
[redacted]	34,855.86	20,000.00	20,000.00
[redacted]	25,673.40	25,673.00	25,673.00

Educational Institutions and Daycares Summary

Name	Recommended	Awarded	PAID
[redacted]	34,481.06	34,481.00	34,481.00
[redacted]	23,237.24	23,237.00	23,237.00
[redacted]	28,859.15	28,859.00	28,859.00
	788,754.33	907,818.00	892,818.00

IN THE MATTER OF THE TERRITORY OF THE VIRGIN ISLANDS COMMISSION OF INQUIRY 2021

AND THE COMMISSION OF INQUIRY ACT (CAP 237) ("the Act")

RESPONSE OF THE OFFICE OF THE PREMIER TO THE EVIDENCE TO THE REPORTS OF THE AUDITOR GENERAL AND THE INTERNAL AUDITOR CONCERNING THE FARMERS AND FISHERS AND SCHOOLS AND CHURCHES GRANT PROGRAMMES

The Pandemic Relief Programme and Covid-19 Stimulus Grants

The Policy Context

1. On 11 March 2020, the World Health Organisation declared coronavirus as a pandemic, stating that all countries "*must strike a fine balance between protecting health, minimising economic and social disruption, and respecting human rights*" [Annex 1]. On the same day, the elected Government established the Coronavirus Economic and Fiscal Stability Task Force ("**CEFS Task Force**") [Annex 2].

2. At its meeting on 20 March 2020, the Cabinet identified Farming and Fishing as a particularly vulnerable economic sector that should receive urgent assistance [Annex 3].

3. The CEFS was chaired by the FS: see evidence of Glenroy Forbes Day 25 p.137/24 at [Annex 4]. He set up a working group called a "*Focus Group*" to consider the impact of the virus and the resulting needs of the Territory: see Day 25 p.138/3-4 [Annex 4]. This began work before 28 May 2020: see Day 25 p.150/6-7 & 12-14 [Annex 4].

4. On 7 April 2020, the CEFS Task Force issued a paper entitled, *'BVI Government's Policy Response to the Coronavirus Crisis'* (the "**April Policy Paper**") setting out a preliminary projection of the fiscal impact of the pandemic [Annex 5]. This indicated an expected recurrent deficit of $32 million, and that the overall fiscal deficit could reach $100 million if adjustments were not made ([Annex 5], p. 22). A 6-month border closure could lead to direct losses to $234 million, almost a quarter of the Territory's GDP ([Annex 5], p. 4).

5. The paper proposed *an immediate relief package* with a value of approximately $39.3 million ([Annex 5], p. 6; see also Day 25 p.138/14-17 [Annex 4]), which it was envisaged could be funded largely by the Reserve Fund (in the sum of $27.6 million), the Contingency Fund, the Consolidated Fund, and by Statutory Bodies ([Annex 5], p. 24). The proposed relief package included "*assistance to the Agriculture and Fisheries sector*" ([Annex 5], p. 7).

6. The paper also recommended interim economic stimulus policy initiatives, noting that although the immediate relief package was expected to be funded largely from the Reserve Fund, the funding of longer-term packages would also need to be considered, "*inclusive of petitioning the UK Government for grant funding*" ([Annex 5], p. 30).

7. The report also stated that any meaningful attempt to implement even the *immediate response measures* would cause the BVI to contravene the Liquid Assets Ratio in the Protocols for Effective Financial Management ("**PEFM**") ([Annex 5], p. 31).

8. The report concluded by stating that the Government should engage the UK Government in discussions for financial support to meet relief requirements, seeking the abeyance of section 20 and review of sections 25, 27 and 28 of the PEFM ([Annex 5], p. 33). Consistent with its policy of assuming greater autonomy over its internal affairs, the Cabinet was unwilling to incur the additional controls, including the right of veto over the annual budget, that ensue from a breach of the ratios prescribed by the PEFM.

9. On 12 April 2020, the Cabinet decided to approve the policy paper, implement the immediate relief package, and instruct the Financial Secretary to petition the Secretary of State to relieve the Government of its obligations under the relevant sections of the Protocols [Annex 6].

10. The immediate relief package expressly included assistance both to the Fisheries and Agriculture Sector and to Small and Medium Enterprises [Annex 2 at paragraph 11; see also Annex 6].

11. The Cabinet also decided that bodies administering the relief package must provide bi-monthly reports to the Ministry of Finance for the information of Cabinet, and that the Minister of Finance should publicly report on all funding received by the BVI [Annex 6].

12. During April 2020 the FS also established an "*Immediate Relief Implementation Committee*", ("**IRIC**") chaired by him drawn from individuals within the Ministry of Finance, to coordinate the implementation of the Immediate Relief Package [Annex 7]. It was intended that the IRIC would produce policies to found each of the initiatives and then work with the selected 'implementing agency' to deliver the programme. The IRIC was to exist in the short-term until the necessary structures were in place to implement monitor and report on the policies. The final decision as to criteria and eligibility was left to the Implementing Department, being in the case of the Farmers and Fishermen and Schools and Churches Initiatives, the Premier's Office: see Day 25 p. 146/18-22, pp.147/6-11 and 148/17-18 [Annex 4].

13. On 30 April 2020 the IRIC produced its first report [Annex 8]. It anticipated the development of a Cabinet paper describing the policies to be comprised in the Immediate Relief Package. The IRIC noted that the policy to increase funding to the existing Public Assistance Programme required legislative amendment, which it expected would be discussed with the Social Development Department. It further noted that the

Committee for the assistance to the Agriculture and Fisheries sector had met and developed a framework and criteria and that Cabinet paper had been prepared: see Appendix 2, p.8, No.6 and No. 10 [Annex 8].

14. On or about 11 May, the IRIC issued the Implementation of the Immediate Relief Package Update Report ("**Immediate Relief Update Report**") [Annex 7]. The Immediate Relief Update Report appended meetings notes showing consultation between the CEFS Task Force and various bodies about the relief proposed in the April Policy Paper. This had revealed difficulties with some of those measures, and accordingly adjustments were made. For example, the Intermediate Relief Report recommended that there should be no moratorium on NHI contributions: see p.6 [Annex 7].

15. These efforts culminated in the CEFS Task Force's paper, *'Economic Stimulus Package in Response to the Impact of Covid-19 on the Economy of the British Virgin Islands'*, dated 15 May 2020 [Annex 9].

16. It was subsequently made clear to the elected Government that it was expected that the Virgin Islands Government would manage the economic effects of Covid-19 by itself, and no financial support would be forthcoming from the United Kingdom [Annex 10]. Furthermore, while it would agree to borrowing or expenditure from reserves that would breach the PEFM, the UK Government would not be willing to abrogate the consequential additional controls on the BVI Government's economic policies imposed by the PEFM.

17. There ensued discussion between the Government and the Social Security Board about a grant to finance the Immediate Relief Package.

18. On 25 May 2020, the Financial Secretary sent to the Director of the SSB a request for a grant in the sum of $40 million [Annex 11]. The letter included a general breakdown of allocation of funds to various initiatives, acknowledging that these had not all been included in the Immediate Relief Update Report, and that the programme amounts were indicative and had not been costed out in detail.

19. On the same day, the Premier also wrote to the SSB requesting the funds [Annex 12].

20. On 28 May 2020, the SSB wrote to the Ministry of Finance to confirm that the board had approved the grant [Annex 13]. Its response included a table with general descriptions of those relief programmes for which the Board understood the grant was intended. Those programmes included an Agriculture and Fisheries Grant to be administered by Premier's Office "*to boost these industries and assist with food security*" and "*assistance to churches, day-care, and private schools*".

Particulars	**Requested Amount US$**	**Approved**

Establishment of a new fund, which will be created and managed by the SSB, for Unemployment and Business Interruption Relief, due to special circumstances such as the COVID-19 pandemic	10 Million	10 Million
Food Production (Agriculture and Fisheries) Grant to be administered by Premier's Office to boost these industries and assist with food security	2 Million	2 Million
Grants to local businesses affected by COVID-19, to be administered a team comprised of representatives of the Ministry of Finance, Premier's Office and Department of Trade	7 Million	6.5 Million
Stimulus grants to hotels and villas affected by COVID-19, to be administered by a team comprised of representatives of the Ministry of Finance, the BVI Tourist Board, Ministry of Health and Premier's Office	1 Million	1 Million
Government-guaranteed soft loans to local businesses at minimal interest rates to be administered by a team comprised of representatives of the Ministry of Finance, the Department of the Trade and the Premier's Office, and coordinated by local banks, to assist businesses affected by COVID-19	2 Million	0
Housing repairs, materials, labour and reconstruction assistance to be administered by the Premier's Office and the Ministry of Finance to water-tight homes damaged by the 2017 catastrophic hurricanes, Irma and Maria	15 Million	10 Million
Other social needs related to COVID-19 to be administered by the Social Development Department Assistance to churches, daycare, private school	1 Million 1 Million	1 Million 1 Million
Transportation initiative for the City and from Terrance B. Lettsome International Airport to approved quarantine areas in Tortola. Transportation initiative applies to the other Sister Islands as well.	1 Million	1 Million
NHI	**0 Million**	**7.5 Million**
Total		**40 Million**

21. Therefore, the grant was predominantly intended to enable the Government to provide an immediate package of relief to relevant sectors of the Virgin Islands economy and society.

The Internal Auditor's View – Insufficient Appreciation of Policy Context

22. In the paragraph entitled, "*Stimulus Overview*" at page 5 of her Draft Internal Audit Report, the Internal Auditor observes, "*Historically, the focus of government fiscal policy in times of economic downturn has been to ensure that the provisions are timely…, targeted… and temporary….*" [Annex 14].

23. She remarks that the limitation of the Territory's resources constrains what can be done by fiscal stimulus and requires that "*the value proposition is maximised, and every dollar spent or awarded directly contributes to both the economic prosperity of the territory balanced against combating the social fallout of the pandemic*".

24. However, while it may be implicit in her summary of the aims of such a policy, insufficient emphasis is expressly accorded to the fact that there may be an *inherent tension* between the factors that she cites as relevant to the design and delivery of such a programme.

25. In other words, the compelling need for *timeliness* which she acknowledges may be at odds with the important and desirable goals of value for money and targeting. There may be occasions when the "*value proposi*tion" cannot be maximised.

26. Ultimately, the relevant but competing factors she discusses are matters of policy, the balance of priority of which is for elected ministers to decide. Further, while she rightly acknowledges the "*economic crisis*" the pandemic presented, by her citation of the approach that fiscal policies have adopted "*historically*" in "*economic downturn*" [Annex 14, p. 5], the Internal Auditor appears not to appreciate the unprecedented nature of this crisis.

27. At no other time in history have nations deliberately shut down their own economies for months on end. The purpose of a stimulus in such circumstances is to keep the economy's heart beating, to enable businesses to survive and *thereby* "*to contribute to… the economic prosperity of the Territory*" [Annex 14, p. 5]. This package was intended not only to be a timely fiscal stimulus as in previous downturns, but to administer *immediate relief* by the urgent injection and circulation of money as broadly as possible into the relevant sectors of the economy.

28. That the Internal Auditor has not assigned sufficient recognition to this critical policy context is illustrated by her dismissal of businesses such as "*DJs, entertainers, vehicle rental companies etc.., that would yield little economic benefit while the current environment persists*", as worthy of support [Annex 14, p. 9].

29. But such businesses employ Virgin Islanders, create economic activity and contribute to the economy in various ways. The Government's view was that it was right that those businesses should be given the life support intended by this package, thus enabling them to resume their activities as soon as conditions permitted.

30. As the Internal Auditor implies, the Government faced serious difficulties in achieving the timely delivery of this relief. First, it needed to secure the money, preferably without borrowing or depleting its reserves to the point of placing the Territory in breach of the PEFM.

31. Secondly, the capacity of an unmodernised Public Service to design and administer, as swiftly as needed, an emergency programme of this scale, without any previous experience of doing so and with neglected and exiguous policy formulation, implementation and coordination functions, was always going to be severely stretched. Further, the public service had been in a permanent state of crisis management under significant additional pressure since at least 2017 [Annex 4]. For that reason, it was decided that the Premier's Office would need to take the lead in administering these programmes since, among other considerations, it was in the best position to co-ordinate and command cross-ministry cooperation and compliance.

32. The Internal Auditor comments [Annex 14, p. 5],

"*Although the stimulus package was announced on May 28, 2020, the agreement for the majority for the funding ($40M) was not signed until July 4, 2020 approximately one month after the announcement. Additionally, even programmes that were funded through central government took more than 2 months before the first payment was made. Programmes geared toward direct support to the economic sectors (SME, farming and agriculture, etc) took in excess of three months for the first payments to be executed. These timeframes for distribution of grant funding would indicate that there was some issue of timeliness since it shows a significant lag in distribution of funds. The review could not establish definitive reasons for the delay(s), however, it is highly likely that the process was constrained due to inadequacies in resources to execute the volume of works required to properly administer each programme. In addition, we note the delay in securing some funding as a contributing factor*".

33. Therefore, as the Internal Auditor accurately narrates [Annex 14, p. 8],

"*The SME Assistance Grants Programme began with an extensive application, eligibility and approval criteria designed to assess each businesses' operational position and compliance with various statutory requirements. However, due to time constraints and the unavailability of requisite data, the majority of these criteria were eliminated from the final execution of the programme to facilitate greater inclusion/participation of businesses that would have been negatively impacted by their non-compliance and inability to provide documentation to meet the established criteria*".

34. This was achieved by employing an approach of making standardised and banded grants with very broad eligibility criteria [Annex 14, p. 8],

"*As a result, the only eligibility criterion utilized was a valid Trade License and the business employing fewer than 20 employees. The scoring system formulated to determine grant awards was also replaced*

and businesses were classified into five (5) groups based on the level of financial impact (profit or loss) reported during the assessment periods. These changes to the programme resulted in the following deficiencies:…"

35. The deficiencies the Internal Auditor describes are mainly those disadvantages, of over and under inclusiveness, from which any standardised grant scheme will suffer to a greater or larger extent.

36. The Government does not accept that refined targeting is always the answer to providing social or economic programmes, particularly where inclusivity and speed are primary policy imperatives. The level of targeting is always a balance between competing policy goals, but the Government does not dispute that in delivering rapidly, and as inclusively as possible, the relief package in the relevant sectors, which was a unique remedy devised for an unprecedented crisis, it was obliged, consistent with the similar experience of the United Kingdom Government, to trade off some of the value for money safeguards that in normal times are important.

37. In this case, however, as the Internal Auditor finds [Annex 14, p. 6],

"*Despite the delays, when considering the conditions under which the programmes were conceived and implemented and the ever-evolving nature of the pandemic, the initiatives can be considered to be timely given the continued depressed state of the BVI economy*".

38. The Government's view, which the Internal Auditor's findings impliedly support, is that both the timeliness and the inclusivity she acknowledges to have been achieved by the implemented scheme, which were crucial policy priorities, could only have been made possible by that trade-off. This is further evidenced by the fact that it was intended as part of the *Immediate Relief* Package that the Department of Social Development should develop and administer an enhanced scheme of income support grants (see paragraph 20) targeted at vulnerable individuals and families. By July 2021, that scheme had yet to make a payment.

39. Finally, these considerations illuminate two additional points. First, it was a reasonable decision in the circumstances to adopt a standardised approach with very blunt-edged eligibility criteria to the payment of grants. Once that decision had been taken, and the first tranche of applications received and processed, it is difficult to see how the basic structure of the scheme could have been significantly adapted in the execution phase.

40. Secondly, as the Internal Auditor said in her evidence to the Commissioner, the role of the Internal Audit Department had originally been conceived by the Cabinet as lending consultative policy formation support and advice to the Ministries and the Premier's Office in the design and execution and monitoring of the scheme. This function is different from the usual *assurance audits* on which the great majority of the Internal Auditor's time is spent. What was needed in the crisis was a flexible, informal and

collaborative approach that gave support to the Ministries' severely underpowered resources in the rapid construction of the schemes. They needed urgent support and guidance in policy formation, development and evaluation.

The Internal Auditor's Initial Involvement

41. However, the consultative role of Internal Audit is infrequently used, and it is apparent that there was no experience and understanding in the Ministry of Finance or the Premier's Office as to how the Internal Audit could be effectively and urgently integrated into this process.

42. Although on 24 June 2020, the Internal Auditor wrote to the Financial Secretary with her initial comments on the policy documents connected with the scheme that had been submitted to the Cabinet, raising issues and posing questions as to how they would be resolved, those comments were only passed, with a request for answers by 24 July 2020, to the Premier's Office on *21 July 2020* [Annexes 15 and 16]. The Deputy Secretary at the Premier's Office responded that she would do her best. She spoke to the Internal Audit Department on the telephone on or around 22 July 2020 and explained that the Committees were still working through the details of the schemes [Annex 17].

43. On 11 August 2020, the Deputy Financial Secretary followed up the request [Annex 18].

44. The first direct communication made by the Internal Auditor to the Premier's Office did not take place until 4 weeks later. On 9 September 2020, the Internal Auditor emailed the Permanent Secretary, referring to a brief conversation *"some time back"* since which she had been "*able to obtain some information regarding the programmes for which your Ministry is responsible*" and referring to "*the attached correspondence for your review and soonest response*" [Annex 19]. The attached Memorandum asked for general information [Annex 20],

"*1. A list of all your COVID-19 Initiatives implemented. 2. An Estimated Expenditure Budget for each COVID-19 Initiative. 3. A list of all contracts executed as a result of all your COVID-19 Initiatives. 4. A list of all vendors procured to provide those relative invoiced products or services. 5 Any policies/procedural guideline developed to manage the programmes. 6. Any challenges faced while administering the programmes to date. 7 Any committee or group being used to evaluate/approve participants of the programme*."

45. The request was expressed to include the Farmers/Fishermen, City Transportation, Quarantine/Security Provisions, and Small and Medium Enterprises programmes.

46. On 11 September 2020, the Permanent Secretary replied saying that she was copying the message to the Financial Planning Officer in the Premier's Office and her Personal Assistant, so that they could "*help to facilitate this request*" [Annex 19].

47. On 22 September 2020, the Internal Auditor emailed both officers, following up on the email of 11 September 2020 and asking for "*urgent assistance*" by Friday 25 September 2020 [Annex 19].

48. However, as is set out below, there was little information of the type requested that could then be given about the Farmers and Fishers Scheme and the Schools, Pre-Schools, Daycares, Churches and Religious Organisations Scheme (Schools and Churches Scheme).

49. The expenditure budget was then still as the Cabinet had decided it. No contracts had been executed and no vendors procured to provide products or services. Furthermore, the design of the programmes was still urgently being considered as it had become clear that the original controls and conditions set by the Cabinet could not be observed if the broad policy objective was to be fulfilled (see paragraphs 68 below). The Deputy Secretary had informed the Internal Audit Department of the work of the committees by telephone in July 2020: see paragraph 42 above.

50. Therefore, there were no policy documents "*to manage the programmes*". The policy was having to be worked out in parallel to implementation. As the Internal Auditor said in evidence to the Commissioner,

> A "*when we first requested the information, they indicated that they were still at the policy stage of executing the programmes, so the information would not have been available until the programmes were actually administered*"
> (Annex 21, Day 23/p.55/1-4)

51. Finally, preparations were being made to submit the revised Schools and Churches allocations to the Cabinet for approval on 28 September 2020: see paragraph 120 onwards below, and Annex 22.

52. In respect of the SME Grant Scheme, on 29 September 2020, the Department of Trade (under the Premier's Office) confirmed it had afforded the Internal Auditor access to its electronic databases of small business grant applicants.

53. Further reminders to both the Financial Planning Officer and the PS' Personal Assistant were sent on 6 October and 15 October 2020 [Annex 19].

54. On 18 October 2020, the first payments to applicants commenced.

55. The Government's position on the omission of officials to provide all the information requested up to that date is as follows. First, unlike an *assurance audit*, no formal audit notice and "*entrance meeting*" had been initiated. Officials in the relevant ministries were not familiar with the Internal Audit Department acting in a consultative role and did not see them either as a resource they could use to help them or as carrying out a formal audit with familiar procedural steps.

56. Secondly, the compelling priority to deliver the immediate relief package with overstretched resources and under great pressure did not give scope to public officers to provide timely answers to enquiries and requests for information that were not seen to be of immediately relevant help in the tasks they faced during the crisis. Thirdly, the effects of the pandemic meant that key personnel were at home for much of the time and not in daily communication and meetings with their colleagues. There was, under the constraints faced, poor communication and coordination between the officials.

The International Context

57. The speed and urgency of the fiscal responses required to the pandemic have made it impossible for governments to adhere to normal public financial management standards throughout the world, even in major economies. In the United Kingdom, the Government, in effect, suspended the applicable rules for the proper management of public money to support the economy in the first 4 months of the pandemic crisis.

58. For example, under the Small Business Grants and the Retail, Hospitality and Leisure Grants Schemes, in addition to the suspension of business rates, standard grants of £10,000 were made to *any ratepayer* (in active business or not), regardless of need and without request, which merely occupied premises that, on 11 March 2020, were registered and eligible for Small Business or Rural Rate Relief (100% up to a rateable value £12000) [Annex 23] and to any retail, hospitality and leisure business that occupied premises registered for those uses with a rateable value of up to £15,000 [Annexes 24 And 25]. Similarly, £25,000 was given to retail hospitality and leisure businesses with premises up to a rateable value of up to £51,000.

59. Such schemes are very blunt instruments and, by definition, not tailored to need. Many second homeowners, who claim (without needing to show evidence) to advertise a property for rent for 20 weeks a year and who had registered it as a business to avoid council tax on domestic dwellings (and by claiming the 100% small business rates relief avoided any property taxes at all) received grants of £10,000 [Annex 26]. Many owners of premises who did not have active businesses received the grant. Others who ran genuine small businesses from home, such as events management or catering businesses, and who will have been in acute need, did not.

60. The permanent secretary at the Department for Business, Energy and Industrial Strategy, considered that the scheme could not comply with the Treasury's Managing Public Money principles and sought a ministerial direction. He wrote,

"*At this point in time, it is understandable that it is not possible to confidently estimate the extent to which this funding will help small businesses successfully navigate the impacts of Covid-19. Given the unique circumstances we find ourselves in, there is no evidence on which to base a reliable assessment of the*

likely net impact of the fund. It is likely that for some of the eligible small businesses this fund will be a welcome lifeline that prevents their business failing. However, there are uncertainties around the extent to which this will be the case and it is inevitable that some funding will end up with companies that would have carried on regardless, without any palpable net growth stimulation effect, or will go to businesses that will eventually fail anyway" [Annex 27].

61. However, UK Government ministers took the view that the broader policy imperative of urgently supporting the survival of vulnerable small businesses, a major component of the economy, by schemes that would be bound to be both massively under and over-inclusive was more important. As the permanent secretary observed, in those exceptional circumstances, there was a good policy rationale for the measure [Annex 27].

62. Ministerial directions are formal instructions from ministers telling their department to proceed with a spending proposal, despite an objection from their permanent secretary. Each permanent secretary is also the 'accounting officer' for their department whom parliament would call to account for how the department spends its money. They have a duty to seek a ministerial direction if they think a spending proposal breaches any of the following criteria:

a) Regularity – if the proposal is beyond the department's legal powers or agreed spending budgets.
b) Propriety – if it doesn't meet "*high standards of public conduct*", such as appropriate governance and parliamentary expectations.
c) Value for money – if something else, or doing nothing, would be cheaper and better.
d) Feasibility – if there is doubt about the proposal being "*implemented accurately, sustainably or to the intended timetable*" [Annex 28].

63. The permanent secretary of a department will write to the secretary of state expressing their concerns and seeking a direction. In response, the ministerial direction instructs the permanent secretary to implement the decision. As a result of this direction, the minister, not the permanent secretary, becomes accountable for the decision. 14 Ministerial directions were sought in respect of Covid-19 relief measures adopted by the UK Government in the first 4 months of the Covid crisis between March and July 2020 [Annex 29].

64. A further example is the lack of normal checks and controls associated with the design and implementation of the Bounce Back Loan scheme, which caused the accounting officer to seek a ministerial direction because he considered it failed *each of the 4 tests* for managing public money [Annex 30].

65. The Chancellor of the Exchequer had told the House of Commons that the Government would deliberately relinquish ordinary controls,

"*There will be no forward-looking tests of business viability; no complex eligibility criteria; just a simple, quick, standard form for businesses to fill in*".

66. The scheme has been described as a giant bonfire of public money [Annex 31]. The Office for Budget Responsibility predicts losses to fraud and defaulting loans of between £22 billion to £40 billion. The National Audit Office noted that departments had relaxed the controls and checks they would normally have in place to administer and deliver such schemes for the sake of speed. This materially increased the risk of fraud and error [Annex 28].

67. As the directions show, UK Government ministers were well aware of the acute risks the suspension of ordinary principles of financial management of public money would present and that the need for urgency in administering the stimulus prevented the refinement of the design of the schemes and often even the most basic checks and controls.

68. Although, as its decisions show, the Virgin Islands Cabinet originally intended there to be substantial administrative controls on the relief programmes, it eventually became clear that the Public Service was simply not capable, in parallel, of formulating and executing the various relief programmes with the necessary speed and reach while observing those conditions. Therefore, the Government ultimately considered the same policy approach to be necessary in the Virgin Islands.

Farmers and Fishers Scheme – The Policy Objective

69. The Farmers and Fishers programme was part of the Government's package of immediate fiscal relief in response to Covid-19 [Annex 2]. The package was intended to be an *emergency response* to an immediate need to inject money into particularly vulnerable sectors of the economy. Farming and Fishing was identified as such a sector [Annex 32]. The stimulus would generate urgently needed economic activity in very low wage industries, create employment [Annex 33], and increase local food production at a time when there was a real risk that food imports might be interrupted [Annex 34].

70. For this reason, contrary to the impression that might be created by the Auditor General's Report [see Annex 14, E-3, E-6, and paragraphs 9,14, 20 44-45, 46 and 47-49], the programme was never intended to be confined to those who appeared or had appeared on the commercial register of farmers and fishermen or who were licensed to fish but to reach quickly, and as widely as possible, throughout the farming and fishing sector.

71. A preliminary survey was carried out by the Department of Agriculture [Annex 33] because it was well understood the registers did not reflect current reality of those who were currently farming or carrying on commercial fishing activities or those who *had* been doing so but whose activities had ceased or reduced because of the 2017 Hurricanes.

72. It was also recognised that there were Virgin Islanders whose livelihoods had traditionally been wholly or partly derived from fishing and farming who were not and may never had been registered. One of the benefits of the scheme was perceived to be the encouragement it would offer to those farmers and fishermen to register. As the Auditor General, at least by implication, seems to have acknowledged (Annex 14, paragraph 75), the scheme was effective in this regard.

73. To that end, the scheme was advertised on the radio and online, and the help of all district representatives was enlisted, to identify eligible persons and to bring to their attention their right to apply. It was recognised that some potential applicants would lack not only the computer equipment and skills but also the basic literacy to apply without help [Annexes 33 and 35, p. 3].

74. The initial Cabinet list of farmers who were potentially eligible for relief, to which the Auditor General referred (at paragraph 17), was compiled of those who had responded to the survey [Annex 36].

75. As the Auditor remarks, that initial list of 95 farmers submitted to the Cabinet included 42 who were not on the commercial register [Annexes 36 and 37]. The Cabinet list of 36 fishermen contained 4 who were registered but not licensed. However, as is evident, since by the date of the Cabinet Memo on 27 April 2020, the programme had not even opened for applications, it was not then envisaged that the list would be likely to represent the total of those who would apply.

76. On 20 March 2020, the Cabinet had authorised the setting up of a Working Group to consider how the scheme should be designed and administered [Annex 38].

77. The extract of the Cabinet decision of 27 May 2020 shows that although a budget of $2 million had been previously approved and that the Working Group proposed eligibility criteria (Appendix B) for the award of the grants, which the Cabinet then adopted, no firm proposals were made to the Cabinet and no decision taken as to how the *amounts* to be awarded to each applicant would be determined [Annex 39]. The Programme was again intended to be audited monthly by the Internal Auditor.

78. Those details appear to have been left to the Working Group and to the lead Ministry (the Premier's Office) to work out. It is not correct to assume, as the Auditor General appears to do (see paragraphs 7, 29, 32, 59 and 67), that it was the Government's intention that the amounts awarded should exactly equate to the demonstrated need for specified work or equipment.

79. Indeed, as the number of applications increased in the period for their submission, it became apparent that it would not be possible to award the grants based on a demonstrated need, which would in itself lead to substantial inequities. In one case, an application was made for over $400,000, 20% of the available budget. Furthermore, if an individual evaluation of the projects and proposed purchases was to be made for each applicant, it would have required far greater resources and time than was available to the Government [Annex 40].

80. Despite the presence of the Permanent Secretary of the relevant Ministry (Education) on the Working Group, in late July 2020, on being asked to verify whether those on the existing list of applicants were commercially active, the Department of Agriculture reported that it was incapable of executing the responsibility assigned to it by the Cabinet's decision to assess the commercial activities of the applicants because it lacked both the personnel and the equipment, such as vehicles and fisheries vessels. The Director of the Department even requested monies from the stimulus package to purchase the vehicles [Annex 41]. For these reasons, as the Auditor accurately remarks, the Department "*had been unable to undertake any substantial monitoring*" (paragraph 40).

81. The Ministry of Public Works lacked the surveyors to evaluate each of the hundreds of applications that were made at the same time as service the demands of the Ministry of Health, which was then leading the effort to contain the virus.

82. Furthermore, by late July 2020, it was apparent that *even if* the Ministries could have undertaken that burden, they could not have done so within a timescale that conformed to the Government's policy objective of delivering a rapid fiscal relief stimulus to the sector, which, as the economic effects of the measures taken to contain the virus deepened, was becoming an ever more urgent and pressing priority.

83. In addition, the Working Group had overlooked the fact that if payments were to be made direct to suppliers, which cumulatively exceeded $10,000, it would have been necessary to execute petty contracts [Annex 42]. Those contracts required certificates of good standing from multiple agencies of government, which can take several weeks to obtain, a period likely to be even longer during the disruption of the pandemic. Finally, payment would have had to be made by government purchase order and many, if not most, suppliers will not accept such an order because of the time it takes to be paid.

84. Therefore, by about mid-September 2020, with no progress made, officials concluded that for ease and speed of delivery, it would be necessary to adopt a banded system of standard grants and to pay the applicants directly, obliging them to verify their expenditure retrospectively [Annex 43]. The first payment was made on 18 October 2020. Each of the recipients received a letter with the award, warning them of the obligation to record and account for the monies at the end of the programme. A plan to cause them to do so is being taken forward [Annex 44].

85. No relevant experience existed within the Government as to how to design and administer such a scheme. Officials were obliged, under intense pressure of public expectation and time, to come up with solutions as best they could [Annex 4, p.95/2-4].

86. It was fully understood that this was a rough and ready system that could only be justified in exceptional circumstances and in the service of the broader policy objective of the Government to deliver an immediate stimulus to a vulnerable sector of the economy at a time of crisis.

87. Some would not receive the amounts they had requested and believed they needed. Others would receive more. The bands were set at $13,500 and $22,500 for farmers [Annex 45] and $9000, $15000, and $20,000 for fishermen [Annex 46]. Applicants were placed in each band according to the amounts requested, the scale of their past or present operations and of the projects of which they had supplied evidence. Applications and supporting documents were received on paper.

88. Many of the anomalies highlighted by the Auditor General arise from adoption of this standardised approach but unless it had been adopted, the Government is convinced that it would have been impossible, given the circumstances, expertise, and resources available to it, to have provided the timely stimulus and relief the programme afforded.

89. In retrospect, once the number of those who wished to apply was fully known, it became apparent that the bands were set too high, and a submission was made to the Cabinet to approve further funding within the envelope of the $39.3 million set aside for the relief programme.

The Government's Response to the Auditor General's Conclusions

E-1. An audit examination was performed to assess the implementation and application of the Government's stimulus programme for farmers and fishermen that was launched as a part of the COVID-19 recovery initiative.-

E-2. The audit examination was impeded by the failure of the Premier's Office to provide documents requested for this review. This is a direct contravention of Audit Act 19 (2)(d) and is contrary to public sector best practice policies for transparency and accountability.

90. This is not accepted and is dealt with at paragraphs 156ff below.

E-3. A total of $1.4 million was paid in Farmers Stimulus grants to persons who were not registered in the Agriculture database of registered farmers.

91. The Government accepts that payments in or approximately that sum was paid to such persons. However, the purpose of the scheme was never intended to be so confined. It was well understood, as the Auditor herself recognises at paragraphs 74 to 76, that the agriculture databases were inadequately maintained and unlikely to reflect a current and true picture of those engaged in and deriving a part of their living from fishing and farming.

92. The policy was successful in achieving a major proportionate increase in the number of registered farmers. At paragraph 75 the Auditor records that 143 persons became registered as farmers in the 7-month period after the stimulus programme was announced (from May to November 2020) as against a total number registered from 2007 to 2020 of 579. This, therefore, represented an increase of about 25% in 7 months over the total of the previous 13 years. In addition, one of the additional objectives of the

policy, correctly recorded by the Auditor General at paragraph 7, was to bring back into cultivation land, and repair boats, that had been used, prior to the Hurricanes, for agricultural and fishing purposes. Further work is required to establish this effect, but it seems very likely to have occurred.

E-4. The funding requests submitted by farmers were inflated by the Ministry (Premier's Office) prior to payment. This resulted in individuals receiving payments that were substantially greater than what (sic) they had requested.

93. The first sentence of this conclusion is misconceived and unwarranted. The Government deprecates the Auditor's use of language in this context. That the use of the verb, "*inflated*", appears intended to convey a deplorable pejorative connotation is borne out by the even more shocking and baseless assertion in the "*Recommendations*" that officials had thus been "*falsifying*" the requests made by farmers: see Recommendation 5. This is an irresponsible use of language in the circumstances.

94. The Auditor is mistaken in her conception of the Cabinet's policy, which she appears to assume, without evidence to support her assumption, was to allocate the monies originally set aside for the scheme in the sums requested, provided that the "*need*" for the money, which she does not define but is presumably that which is needed to pay for the project contemplated, could be demonstrated (see paragraphs 7, and, in respect of farmers paragraphs 29, 32; in respect of Fishermen, paragraphs 59 and 67). For the reasons given above, it was not the Cabinet's intention that the distribution of grants should necessarily be made in that way.

95. The adoption of standardised grants was, in principle, a legitimate approach to a difficult problem with which all governments have to grapple. There is no evidence at all upon which so grave an allegation (of falsification) could or should have been made.

E-5. There was an absence of accountability for how the grant amounts were issued and applied. The controls approved by Cabinet for management and monitoring of this programme were not adopted.

96. This appears to include, in substance, the same complaint as the Auditor has made at E-2. However, for the reasons it sets out below, the Government does not accept that the Auditor's conclusion as to the willingness of the Premier's Office to facilitate reasonable requests under the Audit Act is justified.

97. The Government accepts that, for the reasons given above, some of the controls envisaged by the Cabinet were not adopted. As with the Small and Medium Enterprises Grant Scheme, the committee of officials had failed to consider that some of the controls it had recommended were impracticable if the stimulus measure was to be delivered with the speed that was both needed and sought in the Covid-19 crisis and if the broader policy objective of generating urgent economic activity with maximum inclusivity in a vulnerable sector was to be fulfilled.

98. However, the Government does not accept that this means there is "*an absence of accountability*". On the contrary, all recipients of awards have been warned in writing that they will be obliged to account for the monies expended and a plan is being developed to execute that intention. All recipients will shortly receive a second letter reminding them of that duty and of the evidence they will be required to supply. In addition, a programme of visits and inspections will take place.

E-6. More than half of the Fishermen Stimulus Grants recipients were not licensed as required by the Fisheries Legislation and Fisheries Regulations. A total of $1.2 million was paid to unlicensed fishermen.

99. The Government considers that, in exceptional circumstances of great urgency and need, the objectives and benefits of the policy it pursued, among which were to encourage unlicensed and unregistered fishermen to become registered and increasing local food production, justified the policy of their inclusion.

E-7. The fishermen grants were intended to assist with equipment and material costs. Payments were however made to both vessel owners and crew members resulting in multiple members on the same vessel receiving grants. This included grant awards to multiple vessel members requesting assistance for the same equipment.

100. The Government does not accept the premise of the Auditor's conclusion, which is apparently based on the assumption that those who are registered as crew to a vessel must, therefore, *only* fish on or have an interest in that vessel. Furthermore, the Auditor assumes, again without explaining the evidential basis for her assumption, that their applications must have been duplicated for the same equipment. However, those assumptions are not correct.

101. For example, the Auditor states that examination of the details revealed "*instances*" where both master/owner and crew applied for the same equipment. She cites as her prime example a case in which three individuals (master/owner and two crew members) on the *Hokeda* applied separately for engines and material, and notes, "*All three were awarded grants*" (paragraph 64). She assumes this is evidence for her unqualified assertion that, "*multiple vessel members request(ed) assistance for the same equipment*" (paragraph E-7).

102. However, she appears to have carried out no basic checks to see whether her assumption is accurate. In fact, the crew of the *Hokeda* each owns their own boat, and the *different* engines and materials for which the crew applied were for those boats, which had been unable to operate since being damaged in the Hurricanes. It will be recalled that this was precisely one of the purposes of the policy. The same broad situation applies to many of the examples cited by the Auditor at her Appendix 7.

E-8. Several instances were noted where individuals received more than one grant under this programme. In a few instances this manifested with duplicate grants for the same occupation (two farmers grants) but in most cases the individuals received both a farmer's grant and a fisherman's grant which together totalled from $22,500 to

$42,500. There were also cases where individuals who received farmers/fishermen grants also received grants from other government stimulus programmes.

E-9. The absence of controls in the implementation and administration of this programme has left the Government without means of assessing how the funds were applied.

103. Provided that each applicant who applied for both farming and fishing grants met the criteria, there was no reason why, in principle, the policy precluded their doing so. However, there is no basis for the statement that the Government has no means of assessing how the funds were applied. Each of the recipients, all of whom have provided their details, will be required to demonstrate how they have applied the money. Duplicate payments of the same grants are being followed up and in almost all cases have been returned.

104. While the Government acknowledges that important Value for Money principles had to be traded off against the policy priorities of speed of delivery and inclusivity, the approach of the Auditor General appears to lack balance.

105. First, it fails accurately to describe and consider the overall policy context and extreme challenges faced by the Government in a time of unprecedented emergency.

106. Secondly, it is muddled in its understanding of the policy goals that informed the development of the scheme within which it was, in the circumstances, inevitable that such trade-offs would be required. Concepts such as "need" are used (for example at paragraphs 7, 29, 32, 59 and 67) without thinking through how, while fulfilling the policy objectives, such a scheme could practically have operated on the basis of "need", however that might have been defined.

107. Thirdly, untested and inaccurate assumptions are made, on the basis of which serious criticisms are levelled in language that is neither consistent with the evidence nor with reasonable professional objectivity.

The Schools, Pre-Schools, Daycares, Churches and Religious Organisations Scheme

108. The Schools, Pre-Schools, Day-cares, Churches and Civic Organisations scheme was part of the Government's package of immediate relief in response to Covid-19 [Annex 13]. It was recognised that these organisations exercised vital functions in Virgin Islands society, both in providing employment, enabling the workforce to return to economic activity and carrying out essential social and pastoral roles in a system where there is no state childcare provision, comprehensive social welfare or organised mental health care [Annexes 47 and 48].

109. The churches have played a central role in the Virgin Islands community for over two centuries. There is a strong tradition of turning to the churches in times of need. It is important to recognise that churches in the Virgin Islands invariably finance and operate a wide range of important social outreach services, including the distribution of food and clothing, to vulnerable individuals and families within their communities upon which substantial numbers of local people depend. They are an essential and integral contributor to the social cohesion of the Virgin Islands [Annex 48]. The proposed grants, which were to be made without discrimination to all churches and religious organisations of every denomination, were intended to enable them to continue their operations and to reopen as soon as possible [Annexes 49 and 50]. Grants to the churches had featured in the social needs category of the immediate relief package proposed to the SSB in May 2020: see paragraph 18.

110. Schools, day-cares and churches had suffered "*devastating consequences*" and a significant reduction in income, struggling to keep their staff on full time pay. There was a negative effect on the economy of the Territory while parents were obliged to remain at home to provide childcare [Annex 47].

111. On 6 July 2020, Cabinet approval was given for a Covid-19 relief stimulus package of $1 million from the Social Security Board grant for these organisations. A Committee was to be established with representatives from the Premier's Office, the Ministry of Finance, Ministry of Education and Director of Communications. The Programme was again intended to be audited monthly by the Internal Auditor [Annex 47]

112. The first meeting of the Committee was on 23 July 2020. Its work was led by the Ministry of Finance and the Premier's Office [Annex 51].

113. On 28 July 2020, online surveys entitled, 'Questionnaire for Churches and Religious Organisations – COVID-19 Economic Stimulus Assistance' and 'Questionnaire for Daycares, Pre-Schools and Private Schools – COVID – 19 Economic Stimulus Assistance', were made available on the Government's website [Annex 52, p.2 2nd paragraph 24].

114. The deadline for completion of the survey questionnaires was extended to 17 August 2020 as a result of the "*festival holidays and a slow initial response*".

115. In August 2020, the Committee sought additional assistance from the Department of Trade with identifying schools. Later in August, the Committee produced a 'Summary Analysis' of the Survey results [Annex 53].

116. 31 out of 33 of Private Schools completed the survey [Annex 53, p.2 3rd paragraph 24]. 19 out of 79 Churches completed the survey: see 'Summary Analysis August 2020' p.2 4th paragraph 24. None of the 15 'religious organisations', "*(origin in the church/affiliated with the church)*", completed the survey [Annex 53, p.2 4th paragraph 24].

117. Private Schools had seen a 24.1% decrease in student numbers between February and June 2020, with a 58.5% decline in "*total staffing*" over the same period [Annex 53, p.3 6th paragraph 25]. Reductions in revenue were also noted over the same period (34.8% for private schools, 44.2% for churches, with 15% rise in expenses for the churches [Annex 53, p.3 7th & 8th paragraph 25].

118. The Committee gathered information on institutional structure (whether institutions had multiple functions), membership, staffing, revenue and expenses, the impact of Covid on profitability and the cost of reopening with Covid health protocols [Annex 53, pp 4-9, paragraphs 26-31].

119. Throughout August and early September 2020, the Committee developed its proposals [Annexes 54 and 55]. By 8 September 2020, it had completed its work. It recommended that the schools, pre-schools and day-cares should receive 79% of the approved funds of $1 million ($788,754) and the churches and civic organisations should receive 21% ($211,246).

120. As the Auditor General observes at paragraph 21), the Committee's proposals for the churches focused on their Covid-19 related costs of reopening.

121. In or about mid-September 2020, officials in the Premier's Office considered the Committee's recommendations. In substance, the Committee's recommendations on schools were adopted [Annex 56]. Some anomalies were noted in the proposed awards in that some of those schools with higher pupil attendance or that also ran day-cares, pre-schools or primary schools had been awarded lesser amounts than substantially smaller schools. Their awards were increased. The adjustments resulted in an increase in the total sums to be granted to schools. 5 awards to schools were reduced because their pupil numbers were found to be smaller than previously thought [Annex 55].

122. However, officials were concerned that the Committee's proposals for churches were insufficient to reflect the importance assigned by the Cabinet to their role in Virgin Islands society and was based on too restricted a view of the policy objectives, which were not merely to assist with the costs of reopening but to support the churches in performing their traditional social functions that were regarded as even more vital at a time of crisis.

123. Furthermore, it had been intended as part of the Immediate Relief Package that the Social Development Department would develop an enhanced scheme of income support grants (see paragraph 20) targeted at vulnerable individuals and families but that scheme had by September 2020 failed to materialise and, although it has now opened for applications in July 2021, it has yet to make a payment [Annex 4, p.96/21-23.

124. Therefore, rather than request the Committee to redesign its approach, it was again decided in the interests of the urgent delivery of the intended support, to adopt a standard system of payments in bands according to the size of the church.

125. It was recognised that the adoption of such an approach would require Cabinet approval. Therefore, on 28 September 2020, the Cabinet was asked to approve schedules of payments to schools, churches and religious organisations then understood to be eligible for support [Annex 56]. The Cabinet was asked to approve an increased amount for this scheme from the $39.3 million allocated to the Covid Relief Package, of $2,392,818. The grants were to be used by the institution,

"*to support its continued operations and to remain in compliance with Covid-19 health and safety protocols for reopening*".

126. The Auditor General, therefore, at paragraph 8 of her report, does not fully reflect the Government's policy in respect of the grants to the churches by characterising it as,

"*to assist daycares, pre-schools, private schools and religious organizations with the costs relating to reopening and compliance with health pro*tocols."

127. In fact, the broad policy objective of the grants was to support the continued operations of the churches in maintaining the important contribution to social cohesion that they are known to perform within Virgin Islands society: see paragraph 109 above.

128. After the Cabinet's decision, further research was carried out. Some churches were found to have been omitted and those were added to the list.

The Government's Response to the Auditor General's Conclusions

E-1. An audit examination was performed to assess the implementation and application of the Government's stimulus programme for religious organisations, civic groups, daycares and private schools that was launched as a part of the COVID-19 recovery initiative.

E-2. The audit process was impeded by the Premier's Office failure to provide documents requested for this review. This is a direct contravention of Audit Act 19 (2)(d) and is contrary to public sector good governance policies of transparency and accountability.

129. The Government does not accept that the Premier's Office refused or denied the Auditor General access to its records or contravened the Audit Act. This matter is dealt with below.

E-3. The grant awards recommended by the working committee were adjusted in the Premier's Office without any effort to maintain the apportionment within the available budget.

130. The Government does not accept that this conclusion is pertinent to matters that lie properly within the scope of the Auditor General's functions. The decision to adjust the grant awards and to increase the budget for the scheme within the overall sum set aside for the Covid-19 Relief package was a *policy decision* that was submitted to the Cabinet and was wholly a matter for *it* to decide.

E-4. The grant award for religious institutions increased by 662% over the recommended amounts. No criteria was (sic) made available for this increase. Eighty percent of the religious institutions did not apply for assistance but were nonetheless approved to receive public grants totaling $1,060,000.00.

131. The Government's policy decision to increase the total sum expended on these grants was a matter exclusively for the Cabinet to decide. The increase of the sums made available to churches, and the specific awards made to them, were approved by the Cabinet on 28 September 2020 on the advice and recommendation of officials who were acting in the accurate belief that the policy of the Cabinet would not be fulfilled by the Committee's recommendations.

132. In the interests of expeditious distribution of the grants at a time of great crisis and need, a standardised system of banded awards was adopted. This was a necessarily blunt tool but was a legitimate decision in the service of the broader policy objectives of the Government, which was to provide *immediate relief* and urgent stimulus to identified sectors of the economy and to support the economic and social operations of the churches.

E-*5. The grant awards for private schools and daycares were amended in an apparent ad-hoc manner and without stated criteria.*

133. The Government has dealt with the reasons for those adjustments above: see paragraph 121 (above). As the Auditor observes (at paragraph 38), the adjustments were made to correct perceived anomalies. Had the Government sent these issues back to the Committee, as she suggests, it was plain that there would have been many weeks of further delay. That delay would have been exacerbated by the fact that by September 2020, with schools still closed, key personnel on the Committee were at home and preoccupied with home-schooling their young children.

E-6. The issuing of unsolicited and extravagant public grants to religious institutions presents a threat to the political independence of these entities.

134. The Government does not accept this conclusion, which is gratuitous, misconceives the policy context and rationale, and essentially amounts to a statement of the Auditor General's political opinion of the policy. In unique circumstances of acute social privation and hardship, in the alleviation of which the

churches are widely acknowledged to carry out an important role, the Government does not accept the validity of that opinion for which no evidence is cited.

135. At paragraph 46, the Auditor General formulates a somewhat different criticism, that of creating "*the **impression** of an inappropriate turn to influence these institutions independence*" (our emphasis) and at Recommendation 4, that public spending should not "*compromise or **appear** to undermine the political independence or impartiality of non-government institutions*" (our emphasis).

136. It is a fallacy to conclude that such grants, awarded to all churches and religious organisations, without discrimination on the basis of denomination, to support their continuing work in the community at a time of great crisis, "*presents a threat to (their) political independence*" or can legitimately be construed as "*an inappropriate turn*" for party advantage (see Auditor General's Report at E-6).

137. The Government does not accept that any such impression or appearance properly arises to an informed and dispassionate observer. Furthermore, as far as the Government is aware, no political representative of any party affiliation has criticised the scheme on those grounds.

The Internal Auditor's Later Involvement

138. On 3 November 2020, the Internal Audit Department emailed the Deputy Secretary of the Premier's Office copying the email to the Financial Secretary and the Permanent Secretary among others, referring to the Internal Auditor's task of reviewing the various COVID-19 related grant programmes of which the Farmers and Fishermen programme was part [Annex 57]. The author said that Internal Audit were pleased that the programme had progressed to the making of payments and that they "*would like to initiate our review of the administrative processes the Premier's Office has developed and utilized for the execution of this programme*". He asked for,

"*1. Any administrative guidelines developed and utilized to execute the programme. 2. Listing of all applicants registered for the programme and the status of each application. 3. Methodology used in determining award amounts (if not contained in administrative guidelines). 4. Listing of all registered/licensed fishermen and farmers as of July 30, 2020. 5. Minutes of meetings held by the evaluation committee. 6. Any other documents/information related to the programme that you think might aid in our review*".

139. The author indicated that he "*would like to schedule a meeting with you to discuss any areas that may need clarification*".

140. On the same day, the Deputy Secretary forwarded the email to the PS asking to discuss it "*at her earliest convenience*". The PS replied saying, "*This is confusing to me*" as she had "*thought that the Financial*

Secretary had indicated that he is responsible for reporting on these stimulus packages"; she asked the Deputy Secretary to confirm the situation with the Financial Secretary.

141. On 5 November 2020, the Internal Audit Department emailed the Deputy Secretary about the Farming and Fishing Stimulus, saying that they had tried to contact her earlier that day, but she had not been available, giving "*a gentle reminder of my request for information*" and asking for "*an update on the progress of this request*" [Annex 58]. On the same day, the Deputy Secretary replied saying that she was in the office on Thursdays only at midday and had then been out on a site visit but was working on getting the information requested and needed "*a bit more time*".

142. On 12 November 2020, another "*gentle reminder*" was sent [Annex 59].

143. On 18 November 2020, the Financial Planning Officer at the Premier's Office sent to the Internal Auditor the following,

"*1. Policy/programme documents prepared to guide… 2. Description of objectives and expected outcomes…for each programme, if not contained in the policy/programme documents*" for "*all four (4) stimulus packages that are currently being handled by the Premier's Office*" [Annex 60].

144. On 21 December 2020, the Internal Audit office sent an email to the Financial Planning Officer, the PS and to the Deputy Secretary, querying whether certain payments "*discovered in payment vouchers received from the Treasury*" and made by the Farmers and Fishermen programme to recipients had been duplicated. They explained the query was "*to bring further clarification to the payments made and to ensure accountability within the process*" [Annex 61].

145. On 1 February 2021, the PS emailed the Internal Auditor and the Financial Secretary asking for confirmation that the four emails sent in November 2020 and re-sent that day, 1 February 2021, had been received. On 2 February, the Internal Auditor replied that they had [Annex 62].

146. On 3 February 2021, the Financial Secretary emailed the PS informing her that the Internal Audit office was, "*urgently requesting*" the following,

"*1. Policy/programme documents prepared to guide…a. Farmers and Fishermen Stimulus Programme b. Educational and Civic Organization Stimulus Programme c. Small Medium Enterprises Stimulus Programme. 2. Description of objectives and expected outcomes…for each programme, if not contained in the policy/programme documents 3. List of all applicants…. 4 List of all approvals … and the amounts 5. Criteria used to evaluate each application…6. Description of mechanisms established to assess the outcomes of each programme. 7. Explanation of any extraordinary circumstances that may have caused deviation for established guidelines. 8 Response to Audit Query sent by email on December 21, 2020,*

pertaining to payments made to Rodel Smith, Clifton Thomas/Clinton E. Thomas and Theodore John" [Annex 60].

147. He asked that she facilitate this request by responding to each item on one comprehensive document.

148. On the same day, 3 February 2021, just over an hour later, the PS replied to the Financial Secretary that numbers 1 and 2 on the list had already been answered in respect of each of the 4 schemes administered by the Premier's Office by email on 17 November 2020 [Annex 60]. She said that once the information requested at numbers 4 to 8 was completed it would be sent to the Internal Auditor.

149. On 1 April 2021, the Internal Auditor emailed the PS referring to the "*initial query that was submitted by Mrs Rashida Glasgow regarding payments made to persons for the Farmers/Fishers Assistance Grants Programme that appeared to be duplicates and was anticipating a response; but to date, none was provided or received*" [Annexes 61 and 63]. She continued that "*given the minor communication situation experienced which could have very well thrown off the issue at hand*" she was "*submitting the query that was placed*" and looking forward to an "*immediate response*". An hour later, the PS responded, expressing her sincere apologies for this oversight and saying she would "*refer to the Financial Planning Officer*" [Annex 63]. At the same time she forwarded the Internal Auditor's email to the Financial Planning Officer, asking him to note the Internal Auditor's request.

150. On 30 April 2021 the Internal Auditor emailed the PS with what she said was "***just a reminder*** *and follow-up for the information you have pending*" in respect of items 4 to 8 of the Financial Secretary's email of 3 February 2021.

Other Internal Audits

151. In parallel to these contacts, the Internal Auditor was engaged in frequent correspondence and dialogue with the Premier's Office in respect of assurance audits of which she had received formal notice.

152. On 5 October 2020, the Internal Auditor had emailed the Financial Secretary and the PS seeking information about monies disbursed in respect of Prospect Reef Management Company ("**Prospect Reef**"), which the Cabinet had decided should be audited [Annex 64]. On 15 October 2020, the Internal Auditor emailed the FS and the PS, chasing up on her email of 5 October 2020 in relation to Prospect Reef [Annex 19].

153. By email of 16 February 2021, attaching a Memorandum, the Internal Auditor formally notified the PS of an internal audit to be carried out, entitled 'Audit of Select Concession Programmes – Hotel Aid and Pioneer Status ("**Concession Programmes**"). The Memorandum set out the preliminary objectives of the audit [Annex 65]. It continued,

"*To aid in the finalization of the audit objective and scope we are requesting a meeting with you or a designated officer on Wednesday March 3, 2021 at 10:00AM. This meeting can be conducted in person or virtually based on your preference. Please inform me of your preference so that appropriate accommodations can be made. At this meeting, we will also seek your input in gaining a better understanding of the audit area, as well as the inclusion of any areas of interest you may have*".

154. On 24 March 2021, the Internal Auditor emailed the PS about the Prospect Reef audit indicating that some information had been received from the former FS "*regarding the issues*". She said, "*I anticipate the extent of your current request regarding the matter at hand*" and chased for the information requested earlier about Prospect Reef.

155. On 25 March 2021, Internal Audit officers visited to collect the files on Prospect Reef from the Premier's Office.

156. On 30 March 2021, the Internal Auditor, by formal Memorandum, informed the PS of the adjusted scope of the Concession Programmes audit [Annex 66]. An Audit Agreement was signed by the PS on 15 April 2021 [Annex 67].

157. On 31 March 2021, the Internal Auditor sent the PS a memo in respect of the Prospect Reef audit.

158. On 6 April 2021 the Internal Audit office emailed the PS, indicating that following a preliminary review of the "*files pertaining to Prospect Reef*", they would like to speak to some officers within the Premier's Office, offering appointments on 7 and 8 April 2021 [Annex 68]. The PS forwarded that email and asked her PA "*to assist in the facilitation of this request*".

159. On 7 April 2021, the PS' Personal Assistant confirmed that officers would meet the Internal Audit office about the Prospect Reef audit on the dates suggested [Annex 68].

160. On 13 April 2021, the Internal Auditor sent a formal Memorandum to the PS about the Prospect Reef Audit [Annex 69]. The PS replied by return saying that she would ask her Personal Assistant to "*assist in facilitating this request*".

161. On 15 April 2021, the PS's Personal Assistant replied on the Select Concession Programmes audit [Annex 70].

162. On 21 April 2021, a Memorandum on the Concession Programmes audit was sent to the PS. The Memorandum thanked the PS for "*returning the signed Audit Agreement*" which signified her agreement "*to the final audit objective and scope*" and "*that the criterion established are a fair basis upon which the area can be assessed*" and that "*This mutual agreement is an important step as it establishes the basis for the remainder of the engagement and hopefully avoids any conflicts as to the fairness of the criterion at the conclusion of the assessment*". The Internal Auditor expressed her thanks to "*you and our team for*

your ongoing cooperation in facilitating this engagement". The PS replied by return, saying that she would "*have those files available for perusal*" [Annex 71].

163. On 22 April 2021 there was a meeting at the offices of the Internal Auditor, attended by Officers from the PO, concerning the audits in respect of Concession Programmes.

164. On 30 April 2021 the Internal Auditor chased for an answer in relation to the Prospect Reef audit, and the PS replied that she was "*Still working on it*" [Annex 69].

165. On 4 May 2021 the PS received another formal Memorandum from the Internal Audit department in respect of Prospect Reef [Annex 72].

166. On 21 May 2021 under cover of a Memorandum to the Financial Secretary, the Internal Auditor provided a copy of her draft report on the Covid 19 Stimuli, which the Memorandum explained was provided even though there were "*outstanding requests pending*" as a result of lack of response (of which she added that the Ministry of Finance had also been a "*culprit*") [Annex 14].

167. The Internal Auditor chased for a response on Prospect Reef again on 1 June 2021 [Annex 69].

168. On the same date the Internal Auditor returned to the question of the Covid 19 Stimulus Programme Grants "*following up on the remaining information you are expected to submit*" and asking for an update [Annex 69]. The PS replied saying that her office were "*working on it now*" and apologizing for the delay.

169. The Internal Auditor responded thanking the PS for the update.

Alleged Obstruction of the Auditor General

170. On 13 July 2020, the Auditor General sent a memorandum entitled, "Covid-19 Stimulus Grants" to the Permanent Secretary of the Office of the Premier [Annexes 73-74].

"*The Audit Office will be performing ongoing reviews of the administration and application of the Government's COVID-19 stimulus programmes. The Office of the Premier will be administering various stimulus programmes. It is essential that controls are put in place at the onset to ensure accountability, transparency and fairness in the application of these funds. Controls implemented by your office should include:*

i. Beneficiary application forms;
ii. Clear criteria for eligibility together with a statement of the supporting documents required from applicants;
iii. Process for vetting and approval of applicants;
iv. A database of applicants which should include information on current processing status and outcome of the application (approved or otherwise);

v. Where applicable, verification of good standing with other Government offices with respect to outstanding Government fees and obligations;
vi. Coordination with other Government offices involved in distribution of stimulus grants to identify individuals applying for relief from multiple agencies (this should be included as a question on your application form).

An auditor will be contacting your office within the coming weeks to review the controls currently in place. In the interim, please forward copies of the application forms, guidelines and other related documents that have been developed to facilitate the processing of the stimulus grants to [redacted].

While it is imperative that persons needing assistance are expeditiously provided with relief, we must continue to maintain public accountability and transparency in the application of all Government funds and ensure that the business of the Government is at all times carried out at the highest standards".

171. On 14 July 2020, the PS replied to the Auditor General confirming receipt of her email about the COVID-19 Stimulus Grant, and said, "*The Office of the Premier will endeavour to provide the information requested from your Office*".

172. While the Government accepts that the Auditor General's guidance as to the principles to be followed in the administration of the grants schemes was good advice from the perspective of managing public money, it fails to allow that there may be occasions when *as a matter of policy* there are legitimate grounds for some departure from those principles. The Government believed that the expeditious and comprehensive provision of the immediate relief package was one of those occasions.

173. On 30 November 2020 Kendrick Grant sent an email to the PS "further to" the Memorandum of 13 July 2020, requesting an interview with "*the key personnel at the Premier's Office that can provide information about the Covid-19 economic stimulus programmes*" [Annex 75]. He suggested an interview date of 3 December 2020 and notified the PS that the lead auditors were KG and L'Keish Hendrickson-Browne. KG also asked for "*electronic copies of all the contracts issued under your ministry for the programs*".

174. On 10 December 2020, the Auditor General emailed the PS as follows [Annex 76],

"*As you are aware the Audit Office is undertaking an ongoing review of the Territory's application of its COVID-19 stimulus funds.*

This review will require an examination of all related documents, files and records at the Premier's Office as well as interviews with individuals who were instrumental in administering and assisting the COVID-19 relief processes.

The lead auditor on this assignment is Mr Kenrick Grant. Please provide me with the name of an individual within the Ministry to serve as liaison for providing information and assistance required by the audit staff in carrying out their duties.

I am enclosing excerpts of the Constitution and the Audit Act which address the Audit Office's mandate to access public property and information. You may share this with your staff.

Should you have any questions concerns regarding the foregoing I can be reached at by telephone 468-4142 or by return email [redacted]."

175. On 27 January 2021, the Auditor General emailed the PS as follows [Annex 76],

"*Reference is made to my email dated 10 December 2020 below. As we await your assignment of a contact person for this audit, please provide us with the following:*

1.Electronic copies of all contracts issued for the Covid-19 programmes administered by the Premier's Office.

2. Access to all applicant data bases for the various Covid-19 Programmes undertaken by the Premier's Office and its Departments.

3. Copy of the Guidance and criteria used in administering the various programmes. This should address eligibility, approval process and amounts awarded.

4. Other relevant information that may assist this process.

The information can be sent to Audit Manager Mr Kenrick Grant ([redacted] and copied to myself. Mr Grant will be making contact to arrange for an interview."

176. On 29 January 2021, the PS replied to the Auditor General as follows [Annex 76],

"*With reference to the Stimulus packages, all of the programmes within the Premier's Office are still ongoing. We have been and are in contact with the Internal Audit Department, and they are currently in communication with us, advising and guiding us during the process. As I indicated to Mr. Grant, whenever the process is complete, the Reports will be sent to your Office*".

177. On the same day, 29 January 2021, the Auditor General replied by email that the involvement of the Internal Audit office did not "*preclude our office from examining the government's activities*". She observed that she and the Internal Auditor fulfilled different functions and that "*we plan our work to*

ensure that it does not interfere with the processes of your offices. Our access is (sic) on the data bases is "view only" which preserves the integrity of the information". She pointed out that Government information was within her "*constitutional mandate*" and asked when the information would be received [Annex 76].

178. On 3 February 2021, the FS emailed her to request that she provide information to the Internal Auditor: see paragraph 146. The Cabinet, by its decisions of 27 May and 6 July 2020 (see paragraphs 77 and 111 above), had directed that the Internal Auditor should audit the Farmers and Fishers and the Schools, Pre-Schools, Day-cares, Churches and Religious Organisations schemes. Therefore, the PS was now confronted with two parallel demands to audit the relevant schemes.

179. Uncertain of her obligations, on 9 February 2021, the PS formally sought the advice of the Attorney General as follows [Annex 77],

"*Please advise of the sequential process for providing information to the Auditor General. In particular, whether the Laws of the Virgin Islands allows the Auditor General to act prior to the Government's internal auditing process being completed.*

Accordingly, the Premier's Office is in need of your legal opinion on how to proceed so that the proper procedural process could be applied and instituted going forward.

Thank you in advance for your most timely response."

180. On 17 February 2021, the PS emailed the Auditor General as follows,

"*I acknowledge receipt of your email. I noticed that you have indicated in your correspondence that you do not want the process to be disruptive to the office. I appreciate and accept that.*

We are currently working with Internal Audit and focusing on getting queries addressed that that Office requested.

It is my aim to cooperate with your Office, but it will be quite challenging and unusual to deal with two audit bodies simultaneously.

As I previously stated, all reports will be sent to you and meetings will be organized.

I hope that along with our regular schedule, that we will be able to finalize the stimulus packages very shortly so that we can conclude this exercise."

181. On 22 February 2021, the Auditor General replied that "*to facilitate commencement of the process our office can receive the same information and access to databases and files afforded to the Internal Audit. Additional information will be requested as required*" [Annex 76].

182. On 10 March 2021, the PS replied to the Auditor General assuring her, as she had assured the Internal Auditor, that she would supply the information once it was ready and asked her to copy her PA, Tamesha Smith, into future emails. On the same day, 10 March 2021, the Auditor General replied, thanking the PS for her email and requesting, "*in the meantime, can you please provide access to the Trade (and other) databases as these do not need preparation. The auditors can commence working with these immediately*".

183. No further communication from the Auditor General was received by the Premier's Office until 25 May 2021, when she emailed to the PS a copy of her draft report on the "COVID-19 Stimulus Grants to Farmers and Fishermen". She requested [Annex 77],

"*Please let me have your comments on the contents of the same by 8 June 2021. If we have not received your comments by that date, it will be considered that the contents of the report have been fully accepted and a final report will be issued*".

184. At no stage prior to 25 May 2021, had the PS been informed by the Auditor General that she had decided to continue with the preparation and drafting of a report without requesting to speak to officials in the Premier's Office (as she had said she would) and without waiting for the information that the PS had said would be sent to her. No indication had been given to her of the need for expedition or that the Auditor General was working to any particular timetable.

185. On the contrary, the terms of the Auditor General's Chambers response to the PS's email of 10 March 2021, in which she had assured the Auditor General the information would be supplied once it was ready, had been to suggest that "*in the meantime*" the PS should let her have access to the "*Trade (and other) databases*". That must clearly have indicated that the Auditor General was willing to wait. However, there were no databases in connection with the Farmers and Fishers or the Schools and Churches Grants Schemes.

186. Further, by 25 May, the Attorney General had not yet responded to the PS' memorandum of 9 February 2021, which asked for a "*most timely response*" to her request for legal advice concerning her obligations in connection with the Auditor General's demands prior to the completion of an audit by the Internal Auditor.

187. Therefore, the Government rejects the assertion made by the Auditor General at paragraphs 5 and 6 of each of her reports that the Premier's Office refused or denied repeated requests for information.

188. On 31 May 2021, by email, Tamesha Smith, on behalf of the PS sent a letter asking for a consideration of the report [Annex 78]. In that letter the PS reiterated that no discourtesy was intended to the Auditor General or her office in respect of the "*request for access to records and information*" and that the Premier's Office was "*unreservedly committed*" to assisting the Auditor General's office in fulfilling their Statutory and Constitutional responsibilities [Annex 79]. However, she said that, as she had intimated on the telephone to the Auditor General, all Ministries including the Premier's Office had been overwhelmed by dealing with the COI requests, including providing 85,000 pages of material. She explained the level of priority that was being accorded to the COI. She also referred to staffing issues. She therefore asked for an extension to the 29 June 2021. She also pointed out that "*on a cursory scan*" she had detected "*some items of information*" which were "*inaccurate*" that the "*distribution of stimulus funds*" was still ongoing and that the internal audit process had not yet concluded [Annex 79]. The Auditor General replied, on the same day, saying her Office were "*able to extend the response date to 15 May 2021*". The Auditor General also said that she looked forward to receiving the PO's "*response (and supporting evidence) as this will allow for the items described in the report to be corrected*" [Annex 78] She later corrected the date for response to 15 June 2021 [Annex 79].

189. On 3 June 2021, the Auditor General sent the PS her draft audit report on COVID-19 Stimulus Grants to Religious Institutions, Civic Groups, Private Schools and Daycares, asking for comments by 19 June 2021, failing which she said it would be considered that the contents of the report "*have been fully accepted and a final report will be issued*" [Annex 80].

190. On 14 June 2021, the PS emailed the Auditor General saying that she had tried to make contact with the Auditor General the previous week regarding the Farmers and Fishermen stimulus, asking that the Auditor General telephone her to discuss "*the matter of submitting the feedback*" [Annex 81].

191. On the same day the Auditor General replied telling the PS that the PO's response could be sent by email or be hand delivered to her office by courier. The PS responded saying that she had tried to contact the Auditor General to ask for more time, given the concurrent requests from the COI with which she was dealing and staffing issues, asking that consideration be given to allowing an extra week.

192. On 15 June 2021 the PS wrote to the Auditor General referring to her letters of 31 May, 14 June and further email of 14 June 2021 referring to the "*capacity issues*" at the Premier's Office which was "*posing several challenges*" to meet the current deadlines of 15 and 19 June 2021 for the responses to the draft reports on the Stimuli for Farmers and Fishermen and Religious Institutions and Schools respectively [Annex 79]. The "*challenges*" described related to staffing and the high demands of the COI, coupled with the "*daily functions*" of the Office and requests from the House of Assembly. The PS therefore sought extensions of one week (i.e. to 22 and 26 June 2021) for the answers to the two draft reports.

193. On the same day the PS wrote to the Attorney General chasing for the legal advice for which she had asked on 9 February 2021, indicating that this was now urgent as the Auditor General's draft report stated that the Premier's Office had refused to furnish information, when in fact it was the Premier's Office'

belief that "*Internal Audit upon completion of the monthly audits as directed by Cabinet would suffice until the initiative is closed off. Subsequently the Auditor General would then proceed to do a post Audit*".

194. On 16 June 2021, the Auditor General replied to the PS's letter of 15 June 2021, saying that the "*typical response period for draft reports such as this is two weeks*" and that her office needed to complete the assignments "*in a timely manner to allow us to proceed with our work programme*" asking for a response to both reports by Monday 21 June 2021 warning that "*After that date the reports will be finalised*".

195. On 17 June 2021, the PS responded with thanks, indicating that the Premier's Office would "*endeavour to meet that deadline*" but emphasising that these "*are not typical times*".

196. In an exchange of emails on 18 June 2021, the Auditor General clarified that the finalisation date for both draft reports would be 21 June 2021.

197. On 21 June 2021, the PS emailed the Auditor General indicating that she had been trying to reach her via telephone without success. She said that her office had *"been working assiduously to provide a meaningful response to these draft documents*" [Annex 79]. She described how staff had been coming in at weekends to assist and that progress had been made despite "*the various constraints*" to which she had already referred, which included "*staffing issues as well as other responsibilities of this office*" which were beyond their control. She referred to the "*extreme demands*" placed upon the "*very limited resources*" of the Premier's Office by the CoI requests. She explained that it was in light of these circumstances that she had initially sought the three week extension in respect of the Farmers and Fishermen report. She pointed out that "*a cursory look at your two reports have shown fundamental errors that appear to emanate from the source of the data used by your office with respect to claims of accounting errors, financial payouts and methodology*". She asked the Auditor General to bear in mind that the "*normal and prescribed internal auditing process has not yet had the opportunity to run its proper course*" and asked for a "*reasonable timeframe for preparing a proper and comprehensive reply*" to the draft reports. She therefore asked for an extension of time to respond to both draft reports until 28 June 2021. She said that the Premier's Office were simply trying to do their best "*with the limited resources available*".

198. The Auditor General replied that day, thanking the PS for the update and asking that she "*Please forward your response with the information already compiled*" [Annex 79]. The PS Secretary responded by return expressing her unwillingness to *"to provide incomplete information, especially when dealing with unaudited data*" and that she was optimistic that "*the responses will be completed by 28 June 2011*" but that if they could be finished before then they would be provided earlier

199. Later that day by email at 9:15pm the Auditor General's reports on the Farmers and Fishermen and Religious Institutions and Schools were forwarded to the Governor in accordance with section 20 of the Audit Act 2003 [Annex 79].

200. On 25 June 2021 the Attorney General's Chambers provided the advice which the Permanent Secretary had sought on 9 February 2021 and then chased for on 15 June 2021, to the effect that the Premier's Office should take immediate steps to comply with the Auditor General's request for information [Annex 79].

201. On 29 June 2021 the PS wrote to the Auditor General providing the original Addendum [Annex 79] and a set of correspondence between her and the Auditor General, proposing that her letter and its attachments be included as a Further Addendum to the Auditor General's reports. She referred to respect within the Premier's Office for the important role of the Auditor General and their "*willingness to provide you with accurate information*" having "*emphasised on repeated occasions that the Premier's Office simply required adequate time to compile this information given the resource constraints we were operating with, which was severely strained due to the high volume of requests for information for the CoI*". She also said that she had pointed out "*on several occasions that numerous factual inaccuracies were observed in your office's draft Special Audit Reports*" for the COVID-19 Stimuli.

IN THE MATTER OF THE VIRGIN ISLANDS COMMISSION OF INQUIRY 2021
AND IN THE MATTER OF THE COMMISSION OF INQUIRY ACT (CAP 237) ("the Act")

RESPONSE OF THE PERMANENT SECRETARY TO THE PREMIER'S OFFICE TO THE WARNING LETTER NO. 3 DATED 24 SEPTEMBER 2021 (COVID 19 STIMULUS GRANTS: FARMERS AND FISHERFOLK)

---

1. I refer to the document entitled Response of the Office of the Premier to the Evidence of the Auditor General and the Internal Auditor Concerning the Farmers and Fishers and Schools and Churches Grant Programmes, submitted to the Commission on 7 September 2021 (**PO Response**).

2. On receipt of the Auditor General's reports and after her evidence to the Inquiry and that of the Internal Auditor, I facilitated an investigation that was carried out by public officers, assisted by the IRU, to look into how the two schemes had been designed and administered, to collate information and to consider and respond to the auditors' evidence and reports for the purpose of the Inquiry. The PO Response was prepared as a result of that investigation and to the best of my recollection, knowledge and belief, the facts and matters set out in it are true and correct and I adopt the account set out there.

3. The Cabinet having taken decisions in respect of the schemes, their design and implementation were carried out wholly by personnel in the Premier's Office with some assistance from the Ministry of Finance. I recall that after the Cabinet decision, the Premier had instructed me and other public officers that the priority was for the monies approved by the Cabinet to be distributed urgently.

4. In about September 2020, it had become apparent that some of the original conditions for the Farmers' and Fishers' scheme could not be implemented without many more weeks or months of delay. One of these conditions was the payment of the grants to suppliers of equipment and materials sought by applicants for their businesses. I explained this problem to the Premier and

asked whether he would agree to the payments being made to the applicants rather than to the suppliers. He did agree to this proposal.

5. Similarly, in September 2020, I informed the Premier that the sums allocated for churches was insufficient, after monies had been allocated to schools, to fulfil the purpose of the Cabinet in approving the grants, and I suggested that a paper be put to Cabinet to approve an increase in the amounts to the churches. He agreed to that suggestion and the paper was approved by the Cabinet on 28 September 2020.

6. As far as I can recall, I did not consult the Premier further on any of the details of the schemes. These were left to the public officers and personnel in the Premier's Office to design. The grants were then made by the Finance Planning Officer who worked with the Treasury in the usual way to make the payments. In the case of the farmers and fishers, each applicant was required to sign a statement agreeing to be liable for proving to the Government how the money had been used.

7. I am shocked by the suggestion, which I wholly reject, in the Auditor General's report that I or any other public officer "falsified" claims or were motivated by anything other than the desire, as quickly as possible, to distribute the "immediate relief" package to those whom the Cabinet had identified. As I understood the Cabinet's policy, the monies were to be speedily distributed to reach as many of those in the identified groups as possible. The purpose was to create an immediate "boost" of activity in those sectors.

8. It gradually became clear that, if we were to make payments within any reasonable timescale in this emergency, it was impossible to carry out some of the Value for Money requirements envisaged by the Cabinet in its original decision. The system of standard grants in bands paid to the applicants was adopted for this reason and no other.

9. I also reject the suggestion that I obstructed, deliberately or otherwise, the Auditor General and the Internal Auditor in respect of these schemes. The

Premier's Office was then under extreme strains, the schemes were continuing, and I was concerned at our ability adequately to carry out our duties if we were also required to fulfil the requirements of two auditors at the same time. I was expecting further questions and involvement from the Internal Auditor, and it was not then clear to me why the Auditor General felt that she must carry out her audit before the schemes' completion. As a result, I sought the advice of the Attorney General's Chambers as to my legal duties in the circumstances, which was not provided to me until June 2021.

10. As far as I can recall, I had asked the Auditor General to wait while we were able to collate the information she had requested. In her last email to me, on 10 March 2021, she appeared to agree that she would do so, asking that "in the meantime" I should agree to her access to "trade (and other) databases". As I recall, I was aware that the Auditor General was in touch with the Department of Agriculture directly and there were no other relevant databases as far as I was aware. Therefore, I assumed she would wait. I was shocked when, on 25 May 2021, out of the blue, I received her draft report, which was prepared without warning to me or the Premier's Office that in fact she was intending to continue with her audit anyway and without any interview with its personnel. I was even more shocked when I read some of the statements within it.

11. I have been a public officer for over 30 years. There has been no other occasion in the whole of that time when such suggestions have been made about my conduct. Had I been informed in March that the Auditor General intended to go ahead with her report, I would have urgently followed up my request for advice to the Attorney General and informed the Premier.

12. As it was, I did not inform the Premier of my correspondence with the Auditor General or the Internal Auditor other than, in early February 2021, to tell him that the Auditor General had had communicated with me to state that she was going to carry out an audit of the schemes. I told him that the Internal Auditor had already commenced doing so, in line with the Cabinet's decision, that as he knew, the PO was under massive strain, and that I could not see how or

why the Auditor General could carry out such an investigation while the scheme was continuing, and (as I then expected) the Internal Auditor was involved. The Premier suggested I should seek the advice of the Attorney General if I was in doubt about the legal position. It was never my intention to impede or obstruct the auditors.

The facts and matters set out above are true and correct to the best of my recollection, knowledge, and belief.



.....

Dr Carolyn O'Neal Morton

4 October 2021

R0148 - Responses to COI Letter to Attorney General - 2021.10.11

"Supplemental Response of the Premier's Office to the reports of the Auditor General and Internal Auditor"

A. General

1. Dr O'Neal Morton agreed to provide a copy of the information circulated by the Deputy Governor's Office concerning audits.

   Please find the relevant documents enclosed.

2. Please set out in a document, the names of the public officers (and the departments/ministries they represented) who were on each Committee and/or Working Group (Dr O'Neal Morton appeared to suggest the terms referred to the same entity) established by Cabinet decision to have responsibility for the following programmes:

   (a) the Farmers and Fishermen programme;

   - Dr. Carolyn O'Neal-Morton – Chairperson Permanent Secretary, Premier's Office
   - Mrs. Arliene T. Penn – Recording Secretary (Director of Communications)
   - Mr. Jeremiah Frett – Ministry of Finance
   - Mrs. Tessa Smith-Claxton – Assistant Secretary (MEC)
   - Theodore E. James – Director of Agriculture and Fisheries
   - Mrs. Elvia Smith Maduro – Deputy Secretary (PO)
   - Mr. Khoy Smith – Farmer
   - Mr. Curtis Smith – Fisherman
   - Mrs. Arona Fahie-Forbes – Farmer

   (b) the Daycares, Pre-schools, Private Schools and Religious Organisations programme;

   - Dr. Carolyn O'Neal-Morton – Chairperson Permanent Secretary, Premier's Office
   - Mrs. Carolyn Stoutt-Igwe – Permanent Secretary, Ministry of Education Culture Youth Affairs Fisheries and Agriculture
   - Mrs. Michelle Richmond-Phillips – Ministry of Finance
   - Ms. Genevieve McMaster – Ministry of Education Culture Youth Affairs Fisheries and Agriculture
   - Mrs. Elvia Smith Maduro – Deputy Secretary (PO)

   (c) the SME programme; and

   - Mrs Karia Christopher – Director, Trade Investment and Consumer Affairs
   - Mrs Michelle Richmand-Phillips – Ministry of Finance
   - Ms Lizette George – Premier's Office
   - Ms Patlian Johnson – Consultant, Premier's Office

(d) the Transportation Programme:

The Premier's Office only facilitated the payments to the taxi operators based on payment advice from the Ministry of Transportation, Works and Utilities.

The Transportation Programme had several components of which the following from within the Ministry of Transportation, Works and Utilities coordinated:

Park and Ride

- Ms Haley Trott – AG. Deputy Secretary, Ministry of Transportation, Works and Utilities
- Mrs Joy Scatliffe – Private Secretary to the Minister of Transportation, Works and Utilities

Quarantine Bus Services

- Mr Jevaughn Parsons – Commissioner of the Taxi and Livery Commission, guided by the Commissioner's Board

Traffic Turnaround

- Officer Agustus Bruce – Royal Virgin Islands Police Force
- Sergeant Dariel Robinson – Royal Virgin Islands Police Force

B. <u>The Preliminary Report from the Premier's Office (dated 28 June 2021)</u>

1. Dr O'Neal Morton was unable to point to any parts of the report which directly addressed errors she says were in the Auditor-General's two reports of 21 June 2021. As he indicated, the Commissioner proposes to proceed on the basis that none was so addressed, unless you identify the relevant parts of the report and the errors which they directly address.

   The Preliminary Report does not directly address such errors.

2. Please provide a complete and unredacted copy of the following memoranda to Cabinet together with all accompanying appendices and a copy of the actual expedited extract or record of Cabinet decision that followed:

   Please find enclosed full and unredacted copies of the following:

   (a) Memo 211/2020 [- **COVID-19 Economic Stimulus -Small Business Sector Grant Programme** – description added]

   (b) Memo 267/2020 [- **Education Sector Plan in Response to COVID-19** – description added]

   (c) Memo 343/2020 [- **COVID-19 Economic Stimulus-Micro Small and Medium Enterprise (MSME) Businesses Grant Relief Awards** – description added]

   (d) Memo 175/2020 [- **COVID-19 Transportation Stimulus Package** – description added]

[C.] The Response of the Premier's Office to the reports of the Auditor-General and Internal Auditor	
The matters are as follows (references to paragraphs are to paragraphs in the Response):	**Responses / comments**
1. Paragraph 1: Provide a copy of the policy paper appended to Cabinet Memo 117/2020. The Commissioner appreciates that this is likely to be the document identified in the internal index as Annex 5; but notes that the latter is dated later than Memo 117/2020. If it is the same document, then please confirm that Cabinet approved the paper without change.	We confirm this document is Annex 5. The date of 1 April 2929 is when the policy paper was first uploaded in the Exco Track system. There is normally a time difference between when the paper is initially put in the system to when the paper is deliberated at Cabinet. This is due to it going through edits and being circulated and commented on by relevant Government departments. The system maintains the date the paper is initially put into the system but does not capture the date the paper was finalised and published.
2. Paragraph 11: Provide copies of all reports submitted by the "bodies administering the relief package". If such reports do not exist, explain their absence between April 2020 and to date.	The Premier's Office is still seeking assistance from the Accounts Team.
3. Paragraph 14: Provide any further reports prepared by the IRIC. Where those reports are already annexed to the Response, then please identify them.	The Immediate Relief Implementation Committee (IRIC) was established by the Financial Secretary in the Ministry of Finance. The report(s) were developed by the Ministry of Finance and were not shared with the Premier's Office. The Premier's Office is attempting to follow-up with the Ministry of Finance.

4. Paragraph 14: Provide a copy of the report which the "Task Force" was to deliver by 11 May 2020 (using the internal page numbering of the Response – see page 273). If this document is the same as that cited as Annex 9, then please confirm the same.	This would have been the work of the IRIC which falls within the remit of the Ministry of Finance. The Premier's Office is unable to confirm the number of reports produced by the IRIC as the reports were not shared with the Permanent Secretary of the Premier's Office. The Premier's Office is attempting to follow-up with the Ministry of Finance.
5. Paragraph 15: Provide appendix 2 and 3 to Annex 9.	This query should be directed to the Ministry of Finance, as explained above. The Premier's Office is attempting to follow-up with the Ministry of Finance.
6. Paragraphs 42 and 49: Provide any evidence in support of a telephone call between DPS Smith-Maduro and the Internal Audit Department. Annex 17 does not concern a telephone conversation. Any such evidence must be provided in its native form.	Please see enclosed the email follow-up from Simba Todman confirming the telephone conversation on the morning of 2 July 2020, in native form.
7. Paragraph 70: Provide clarification as to:	
(a) The Ministry/Department and public officer(s) and Minister was/were responsible for producing the document identified as Annex 32 (pages 533-535 on the internal index to the Response).	This document was prepared by the Department of Agriculture. It was received by the Premier's Office via email on 19 March 2020.

(b) The date on which it was produced identified with as much precision as possible (the internal index to the Response gives the document as "undated").	The Premier's Office is unable to confirm the date the document was produced, however it was forwarded to the Premier's Office via email on 19 March 2020. Please see a copy of the email enclosed. A native copy of the email enclosed will be provided to the COI as soon as possible.
(c) Whether the entire document has been disclosed. If not, the entire document must be disclosed with the Supplemental Response.	The document was disclosed via the IRU on 17 April 2021, please see GOV_00073811.
8. Paragraph 70 [sic, should refer to 69]: Provide in unredacted form all the appendices to the document cited as Annex 33 (which appears to be Cabinet Memo 179/2020). If it is not apparent from the document itself, please give the date on which each appendix was prepared.	Please see enclosed.
9. Paragraph 70 [sic, should refer to 69]: Provide in unredacted form a complete copy of the document cited as Annex 34 together with all appendices. The internal index to the Response identifies this document as Memo No 97/2020 although that is not obvious from the face of the document. Accordingly, the Commissioner directs that confirmation be provided that this is indeed that memorandum. If it is not, then provide a copy of Memo 97/2020 together with all appendices.	Please see enclosed.
10. Paragraphs 73 and 84: Provide a complete copy in its native form of the document cited as Annexes 35, 43, 45 and 46 (identified in the internal index to the Response as "Extract from SSAC Report"). Please explain who prepared this report, the purpose for which it was prepared and, with as much precision as possible, give the date of the document.	Please see the full report produced as part of this response. The report was produced by SS Accounting and Consulting Services Limited for the Government. SSAC, Mr Wendell Gaskin's company, was engaged as a consultant and assisted with the delivery of the

	farmers and fishers stimulus programme. The report was given to the Premier's Office by SSAC in June 2021.
11. Paragraph 79: Provide a complete copy of the document identified as Annex 40 in its native form (this has been the subject of an earlier request but included here for completeness). Further, provide clarification as to:	Please see enclosed.
(a) The purpose of the document.	The purpose of the table was to keep a record of applicants for the grants, and track the following: • How many applications had been received; • The amounts of money being requested; • What the grants were being requested for; and • Whether the applicants were farmers and fishers. The document was to be used to report to the Minister on the response to the stimulus programme. It captures the applications received up to the point of the initial close of the application window.
(b) Who prepared and completed it?	The table was prepared by a junior member of staff from the Premier's Office.
(c) The date of its preparation (with as much precision as possible).	The table as prepared in the last week of July 2020. The Premier's Office received the document containing this table by email on 29 July 2020.

12. Paragraph 79: Provide any further iterations of the document identified as Annex 40, e.g. with the final columns ("Administrative Compliance" and "Amount Approved") completed. Please provide such iterations in native form.	Please note, the spreadsheet was prepared by the Premier's Office in July 2020 and records applications up to the original deadline. The deadline for applications to be submitted was extended and Mr Gaskin took over the process of dealing with applications. His list is provided at pages 1735 – 1760 of Exhibit COM-5 to Dr O'Neal-Morton's Affidavit. Following the delegation of the process to Mr Gaskin, the Premier's Office did not complete the final columns of Annex 40.
13. Paragraph 84: Provide a complete copy of the document cited as Annex 44.	Please see enclosed the Statement by the Premier and Minister of Finance dated 26 May 2021.
14. Paragraph 89: Provide a copy of the "submission … made to Cabinet to approve further funding." Please also provide in native form and unredacted, a copy of the letters given to the first five farmers and the first five fishermen who received payments under the stimulus programme (the Commissioner notes that the first payments are said to have been made on 18 October 2020).	Please find enclosed the Cabinet Paper FIN/G2/110, Memo No. 342 of 2020 signed on 28 September 2020 and the first five farmers and first five fishers letters. Please note, Memo No. 342-2020 refers to the daycares, pre-schools and churches stimulus, and not to the farmers and fishers stimulus.
15. Paragraphs 101-102: Provide copies in native form of the applications of the three individuals who were named by the Auditor General as master/owner and crew members of the boat identified in these paragraphs. This has already been requested; but, for the avoidance of doubt, the Commissioner asks to be provided with all information submitted in support of these three applications.	These were provided to the Commission of Inquiry via the IRU by email on 21 October 2021.

16. Paragraph 108: Confirm that the information paper attached to the email of 8 September 2020 (Annex 48) has been disclosed in its entirety. If it has not, then provide a complete copy. In any event, provide all appendices to that information paper.	Please find the full information paper and appendices enclosed.
17. Paragraph 109: Provide a complete and unredacted copy of Memo 342/2020 together with all appendices (exhibited in partial form as Annex 49).	Please see enclosed.
18. Paragraph 109: Provide a complete and unredacted copy of the document or documents cited as Annex 50. The document appears to run to at least 192 pages; 3 have been disclosed.	Please see the full document enclosed. The reference in the index to page 192 came from the pagination of an internal bundle and shouldn't have been included in the index, please disregard.
19. Paragraphs 113-118: These refer to Annexes 52 and 53. Annex 52 is described as a "Summary Analysis". Please confirm that this was the only iteration of the document produced, and that a complete copy has been disclosed. If not a complete copy needs to be provided. If there were later versions, then they should also be provided. As to the document itself please clarify:	Please see a full Annex 52 enclosed. No further iterations or updates have been made to the document.
(a) Who produced this document?	The document was produced by the Macro Fiscal Unit within the Ministry of Finance with the input from the Committee members.
(b) Why it was prepared and for whom.	It was prepared for the Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisation Programme Committee. The purpose was to understand the sectors' ability to respond to the

	Covid-19 pandemic, and the type and level of assistance they may need.
(c) The date on which it was prepared with as much precision as possible (the Commissioner notes the document is recorded as undated).	August 2020, please see enclosed.
(d) Please also confirm whether such a summary analysis was prepared for any other stimulus programme and provide copies of any such analyses.	A policy brief was created for the SME sector, please see enclosed.
20. As to Annex 53, that comprises two pages of email correspondence. The Response however refers to paragraphs in this annex. Accordingly, please clarify whether this is an error. If another document is being relied on, then provide it in complete and unredacted form. When doing so, please confirm:	The reference to the email at Annex 53, in paragraph 115, is correct for first sentence of the paragraph. In support of the point, Karia Christopher is with the Department of Trade. The second sentence of paragraph 115 should reference the complete version of Annex 52.
(a) Who produced that document?	In respect of Annex 53 the authors of the emails appear in the copies. As to Annex 52 please see at point 19 above.
(b) Why it was prepared and for whom.	In respect of Annex 53 the context appears in the emails. As to Annex 52, see at point 19 above.
(c) The date on which it was prepared.	In respect of Annex 53, the dates appear on the emails. As to Annex 52, see at point 19 above.
21. Paragraphs 119: Annex 55 is cited as evidence of the work of "the Committee" in August and September 2020. The internal index to the Response gives the date of the document as 7 July 2021. The document itself is undated. Accordingly, please confirm that a complete copy of this document	This is an extract of Appendix F as extracted now for point 18 above. Paragraph 119 in the Response should refer to Annex 52.

has been disclosed. If it is not, then a complete copy must be provided. In any event, in relation to the document please confirm:	The complete copy of this document was disclosed, however for ease of reference see complete document enclosed. Please note that Appendix F is part of the Cabinet Paper disclosed in its entirety as requested at point 16 above.
(a) Who produced this document?	Please see above. The document was produced by the Committee described at paragraph 5 of the Draft Paper dated 8 September 2020 disclosed in response to point 16 above.
(b) Why it was prepared and for whom.	As per 21 (a) above, the document was prepared as part of the work of the Committee described at paragraph 5 of the Draft Paper dated 8 September 2020 disclosed in response to point 16 above, and it was intended for Cabinet.
(c) The date on which it was prepared.	As per 21 (a) above, the document was prepared on or before 8 September 2020 (see Draft Paper dated 8 September 2020 disclosed in response to point 16 above).

22. Paragraph 143: This refers to the FPO in the Premier's Office sending the Internal Auditor documents on 18 November 2020 and cites Annex 60. The latter is described accurately in the internal index to the Response as "Email Correspondence ..." between 3 April 2021 and 1 June 2021". Please provide in native form together with attachments, the email sent on 18 November 2020.	Please see enclosed. Native copies to follow as soon as possible.
23. Paragraph 145: Provide the four emails in native form as sent in November 2020 (see Annex 62).	Please see enclosed. Native copies to follow as soon as possible.
24. Paragraph 156: This cites Annex 67 which is described as an Audit Agreement signed by the Permanent Secretary. Please confirm who prepared the index found at page 748 (using the internal numbering).	The IRU prepared this index, it corresponds to an internal bundle.

Auditor General's Response to Warning Letter 1

APPENDIX A

Potential Criticisms

	Criticism	Evidence	Auditor General's Comments
1	**Audit Report Covid 19 Stimulus Grants to Farmers and Fisherfolk (June 2021)** The use of the following wording in the Auditor General's Report 'Covid 19 Stimulus Grants to Farmers and Fisherfolk (June 2021)' was irresponsible, unwarranted and pejorative: "The funding requests were by farmers were inflated by the Ministry", and "as it related to falsifying the requests made by farmers".	The Submission, Paragraphs 93 and 95.	As submitted with the Auditor General's Bundle dated 5 October 2021
2	**Covid-19 Stimulus Grants to Religious Institutions, Civic Groups, Private Schools and Daycares Report (June 2021)** The Auditor General's Report 'Covid-19 Stimulus Grants to Religious Institutions, Civic Groups, Private Schools and Daycares Report (June 2021)' exceeded the scope of the matters properly within the Auditor General's functions by stating: "the issuing of unsolicited and extravagant public grants to religious institutions presents a threat to the political independence of these entities".	Submission, Paragraphs 130 and 134	As submitted with the Auditor General's Bundle dated 5 October 2021

Auditor General's Response to Warning Letter 1

	Criticism	Evidence	Auditor General's Comments
3	Sea Cows Bay Harbour Development Project The tone of the Auditor General's report was unnecessarily focused and biased towards the Hon Fraser's brothers' involvement in the project.	Hon Julian Fraser's Response to the Sea Cows Bay Project dated 29 June 2021 Hon Julian Fraser's Response to Warning Letter dated 31 August 2021	It would be a fair statement to say that the report focuses on the relationship between Mr Earl Fraser, his company (Hannah's Reclamation), and its relationship/involvement with this public sector development. The report attempts to explore the extent of Mr Earl Fraser's financial engagement with this project. The reasons for this are clear. The subject minister was embarking on a project to expend public funds to develop property owned by in part by immediate family members. This potentially presents issues of both conflict of interest and a related party activity. It would be negligent for the Audit Office not to examine and report on this activity. The other reason was that the public records for this project were virtually non-existent in the Ministry executing the project and the Department of Public Works that was charged with overseeing it. In a matter such as this where potential conflicts exist it is imperative that there is full transparency on every aspect of the project. The project failed in this regard. *(The audit report Mr Fraser appended with his comments is not a final document)*

Auditor General's Response to Warning Letter 1

	Criticism	Evidence	Auditor General's Comments
4	**School Wall Project** i) The Auditor General failed to consider the responses received from the Department in her report.	Day 36 Hearing Transcript of Myron Walwyn, dated 20 September 2021	All the responses received were reviewed in the context of the report's contents. Where necessary amendments were made.
	ii) The report unnecessarily focused on the draft Cabinet paper rather than the Cabinet decision itself.	Day 28 Hearing Transcript of Lorna Stevens, dated 19 July 2021, Page 83	This is an inaccurate statement. The report focused on the project's compliance with established government regulations and budgetary controls in conjunction with the Cabinet extract received by this office.
	iii) The Auditor General failed to carry out any on site interviews with the external project manager.		The office participated with an onsite inspection of the project with the Ministry's project officer Miss Lorna Stevens on 24 July 2018. Further clarifications were received from the project manager Mr Augustine during a telephone interview on 27 July 2018. The wall structure did not change between those two dates.
	iv) The Auditor General failed to consider the responses from the architect, Mr Steve Augustine.	Day 38 Hearing Transcript of Steve Augustine, dated 22 September 2021	No correspondence was received from Mr Augustine regarding this report. The only response received came from the Permanent Secretary dated 13 August 2018. This was considered and amendments were adopted as appropriate.

Auditor General's Response to Warning Letter 1

	Criticism	Evidence	Auditor General's Comments
5	**BVI Airways Project** The Auditor General failed to give proper weight to the written responses in her report.	Neil Smith's Response to Warning Letter dated 20 September 2021	Mr Smith's submission was reviewed and resulted in amendments and rewording of pertinent sections including E11, paragraphs 4,5,63,69,85 and appendix 4.1 (all references from the draft document). The Audit Report is not intended to be a vehicle for individuals to voice opinions or restate facts. Every effort is taken to ensure that the contents are accurate without being verbose.

Government of the Virgin Islands
Third Floor, Ashley Ritter Building
Wickham's Cay I
Road Town, TORTOLA VG1110
BRITISH VIRGIN ISLANDS

Our Ref. No.: IAD/INV2/1C

October 7, 2021

Commissioner The Rt Hon Sir Gary Hickinbottom
Attention Andrew King, Senior Solicitor of the Commission of Inquiry
Room RB 1.11
22 Whitelhall
London SW 1A 2EG

Re: British Virgin Islands Commission of Inquiry ("COI") – Warning Letter 1 – Potential Criticisms

As required by you, as Commissioner, of the ongoing Public Inquiry of the BVI Government, I hereby submit my response to the potential criticisms outline in your warning letter of September 29, 2021.

I find myself in a peculiar position responding to criticisms that were, in my opinion, prepared by legal functionaries, on behalf of the Premier's Office. In addition, from my reading the majority of the issues raised in the Premier Office's response are largely of a subjective nature, as the response has yet to dispute the findings in the report. What the response does imply is that there was some inherent unfairness in my reporting due to what the Premier's Office considers to be insufficient appreciation for policy and environmental context and deficiency in process.

I also find it difficult to quantify such qualitative issues. What I can say is that internal audit is an independent and objective function, the international standards for the professional practice of internal auditing requires that internal auditors identify, analyze, evaluate and record sufficient information on which they can draw reasonable conclusions. The standards also require that auditors exercise due professional care in carrying out their duties. This means that "Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility." The standards place the burden on the internal auditor to determine what information is relevant, the sufficiency of the information collected and the means of analysis, that is the only way that the auditors can maintain their independency and objectivity. Therefore, there will always exist the inherent conflict between auditor and client on these areas.

Tel: (284) 468-4771 | **Fax:** (284) 468-4743 | **Email:** info@internalaudit.gov.vg | **Website:** www.bvi.gov.vg

What I can attest to, is that in the conduct of this engagement, the auditors reviewed all relevant and available information, exercised sufficient care in analyzing the information and arrived at what I believe were reasonable and supported conclusions. If our judgement in these areas were subjected to the influences and opinion of others it would erode the very foundation on which the profession sits. I find that it would be unproductive and unhelpful to engage in a debate about matters of opinion and judgement on a subject that is left entirely to me as the Internal Auditor.

Therefore, my response will try to set out, hopefully in sufficient detail, the considerations and thought process used in conducting this engagement. I hope that you find it helpful in completing your objectives and mandate.

Sincerely,

Ministry of Finance
Internal Audit
BRITISH VIRGIN ISLANDS

[redacted]

Dorea T. Cowan (Mrs.)
Director of Internal Audit

Attachments: Internal Auditor's Response to Warning Letter 1 – Potential Criticisms

Internal Auditor's Response to Warning Letter 1 – September 29, 2021 from the British Virgin Islands Commission of Inquiry - Potential Criticisms

The Internal Auditor's View – Insufficient Appreciation of Policy Context

Response to – The Submission Paragraphs 22-40

1. When conveying that the Internal Audit Department provided "Insufficient appreciation of the policy context when carrying out the internal audit", it is questionable from the onset as to how is "insufficient" quantified and to what extent.

2. Based on the Department's research, which was completed prior to the commencement of the exercise, the team identified the parameters as to what constitutes a stimulus programme and how it is administered to get the basic understanding of the engagement at hand and how best to apply them to what the Government was expected to achieve.

3. Upon learning that the Department would be responsible for auditing the stimulus programmes on a monthly basis and having received its first communication from the Ministry of Finance, immediately the team assessed the Government's Policy Response to the Corona Virus Crisis and the various sectors for which relief would be provided. Once the policy was reviewed, the team looked at the suite of programmes to be deployed under the policy and further identified programmes geared towards social relief and those that were specifically geared towards the economy. We were acutely aware that there were factors to be considered when evaluating each programme. For example, socially geared programmes would consider the well-being of individuals to provide basic necessities. Therefore, appropriate systems must be put in place to identify, assess and provide relief. In this case the value proposition would be to ensure that the relief gets to the persons that are in need and not just to anyone. However, policies geared towards the economy, of the Small Medium Enterprises (SMEs) Programme was such, must as a primary objective create value within the economy, whether it is to stabilize or grow the economy.

4. While I do agree that there are inherent tensions between the factors, timely, targeted and temporary, I contend that the maximization of the value proposition must still be the primary consideration within these constraints. The issue at hand, as I see it, is not whether the value proposition cannot be achieved but rather how can we achieve the maximum benefit given the constraints.

5. In paragraph 26 of the Premier's Office's submission, the Internal Auditor is accused of not having an appreciation for the unprecedented nature of this crisis. To support this assertion, the words "historically" and "economic downturn" were cited. However, these words were taken entirely out of context as they were taken from the overview of the report, which was provided

to give insight as to how such crises are usually addressed. In the same paragraph from which these words were lifted, you would find that the preceding sentence does show appreciation that nations are struggling to respond to the economic crisis caused by the COVID-19 Pandemic. If, by my use of the word "historically" the Premier's Office is saying that this crisis is such that our (BVI) approach to stimulus cannot be informed by historically proven approaches, whether it be monetary or fiscal policy, then I cannot agree with that proposition. In conducting the review of these programmes, it was difficult not to keep the condition at the forefront. However, from an audit perspective, I have a duty to not only consider the nature of the crisis the Government was trying to mitigate but, equally, consideration must also be given to the inherent approach, resource and knowledge constraints (how long the pandemic would ensue). For example, $6.5 million was allocated to the MSME Programme. From the onset, it was known that these monies would be insufficient, therefore, the question at hand would be how best to utilize this limited resource to achieve the maximum benefit towards the desired results.

6. The Government intended, as they rightfully indicated, that the economic packages were to be timely, as immediate financial relief, but circulated "as broadly as possible" to relevant sectors as a stimulus. This is also evident, stated in the Government's policy response to the corona virus crisis. However, in keeping with the objective to "keep the economy's heart beating" some measure of a targeted approach must be considered.

7. In evaluating these programmes, I did have appreciation that the intent of the policy was to provide immediate financial relief, but consideration must also be given to the Honorable Premier's Statement at the launch of the Micro, Small and Medium Enterprise (MSME) programme on September 14, 2020, which, in my opinion, clarified the policy decision. Repeatedly, during the launch of the MSME Grant programme, the Honorable Premier referred to the initiative as part of "Phase II of the economic stimulus plan" and that the grants were "being processed and disbursed in accordance with Cabinet's decision from the approved Small Business Grant Programme via the COVID-19 Economic Stimulus Package, in the amount of $6.5M from the Social Security Board." This position is supported in the Premier's Office's submission, which purports that "the purpose of a stimulus in such circumstances is to keep the economy's heart beating, and to enable businesses to survive and thereby contribute to the economic prosperity of the Territory." Therefore, for my office to evaluate the programme solely within the context of **immediate relief** with consideration of the desired outcome of stimulus effect, I believe, would have presented an incomplete assessment. It is on this premise that my statement regarding DJs, entertainers and rental companies was made, not that they were **not worthy of support,** but that based on Government's prevailing policy at the time to restrict large gatherings, closure of the borders for tourism and closure of certain types of industries that would support such businesses, that the desired effect may not be achieved.

8. Turning my attention to paragraphs 30 – 36, I see no area of contention for the most part, I think we both agree that the deployment of the initiatives encountered some inherent difficulties (funding, human resources, appropriate infrastructure, etc.) that impacted delivery, these are detailed in the Premier's Office's response. It was the responsibility of the framers of the programme to develop structures with these limitations in mind. As the Internal Audit Department had no role in the development of the programme documents and structure, I could only assess and report on what did occur and the potential consequences of those decisions and actions. The deficiencies identified in the report were to enumerate those deficiencies that did in fact materialize as a consequence of the change in this specific programme structure. It was never my intent to imply, nor do I think the report implies, that *refined targeting is **always** the answer to providing social or economic programmes, particularly where inclusivity and speed are the primary policy imperatives.* However, I do contend that financial resource limitations and other relevant factors must be considered when deciding on programme parameters. The programme design must also consider the desired outcome(s) and how to best achieve these outcomes. Yes, the policy decision was to have a rapidly deployed programme that is broadly inclusive but that cannot be the intended outcome of the programme. Again, I believe that the Honorable Premier's statement on 28th May, 2020 entitled "Phase II of the Economic Response Plan: Social Protection and Economic Stimulus in COVID-19", brought significant context to the policy decision and intended/potential outcomes. In my assessment it was clear that the desired outcome was two-fold, social protection and economic stimulus, and these were to be achieve in the fastest most inclusive manner possible. This why in my report I sought to identify on a broad basis which category each initiative fell as I was astutely aware that each programme needed to be fairly assessed based on these factors. Bearing this (outcomes) in mind, coupled with the limited funding I contend that greater targeting was necessary to increase the likelihood that the outcomes would be achieved. Without refined targeting and standards the programme eventually made provision for even applicants that did not provide any financial information although this was the second criteria on which applications were to be assessed.

9. The Premier's Office largely contends throughout its response that the Internal Auditor did not sufficiently appreciate the Policy Context and that sufficient emphasis was not expressly accorded to prevailing tensions and environmental factors, but curiously agrees, in paragraph 38, that despite these deficiencies in consideration, our conclusion did arrive that the crucial policy priorities of timeliness and inclusivity were achieved. I find it disingenuous to say that the policy was not sufficiently appreciated while accepting our considered opinion that the programmes were timely and broadly inclusive. What I think the Premier's Office failed to understand is that our function is to objectively review the programmes with a view to not only identify what went right but more so to be future focused by identifying deficiencies in programme design, implementation and outcomes, and offer recommendations that would minimize or eliminate those identified deficiencies, to better inform future programmes to improve the likelihood of achieving the desired outcome.

The Internal Auditor's Initial Involvement

Response to – The Submission Paragraphs 41-56

10. I will acknowledge that the department was not able to follow our normal processes in terms of communications (formal entrance conference and audit notice). However, after the initial notice of July 1, 2020 was submitted, and the manner/spacing in which requests were being submitted, I felt it unnecessary to send notice on each request, as the intended approach was already communicated. Therefore, in the interest of time Auditors identified key personnel for each area it was reviewing. Initially, we intended to review five (5) areas, the report will bear this out, namely:

    1. Fishing and Farming
    2. Micro, Small, Medium Enterprises (MSME) Grants
    3. Transportation Initiative
    4. House of Assembly Assistance Grant
    5. Grants to Education, Religious and Civic Groups

11. In each of the programmes auditors were able to evaluate, Auditors identified, interviewed and received sufficient documentation from key personnel involved in the programmes to draw conclusions:

    MSME Grants:

    1. Mrs. Michele Richmond-Phillips – Policy Analyst in the Ministry of Finance – 541-1410
    2. Ms. Lizette George – Strategic Policy Analyst in the Premier's Office – 468-9114
    3. Mrs. Karia Christopher – Director of Trade – 468-9570
    4. Ms. Patlian Johnson – Consultant in the Premier's Office – 300-3148

12. These four person were integral in not only the policy formulation, but also heavily involved in creating the structure and evaluation of this programme's applicants.

    Transportation Initiative:

    1. Ms. Haley Trott – Ag. Deputy Secretary, Ministry of Transportation, Works and Utilities was relied on for support and information on this programme – 443-2594

13. <u>House of Assembly:</u>
    1. Mrs. Phyllis Evans – Clerk, House of Assembly – 468-6900
    2. Information was also received from the Treasury Department

14. At all times, I was conscious of not allowing the needed changes in the standard process to compromise the quality of the assessment being undertaken. All work was carried out with due professional care.

15. From the inception of the internal audit function within the Government of the Virgin Islands, the function has always been under the purview of the Premier's Office or the Ministry of Finance. Currently, the function falls within the portfolio of the Ministry of Finance. Over the years, we have performed engagements that involve both agencies and there should be adequate knowledge within both as it pertains to what the Department's mandate is and how it goes about executing that function. Therefore, it is disingenuous for the Premier's Office to make the assertion that there was a failure to appreciate that there was no experience and understanding within the Ministry of Finance or the Premier's Office on how the Department could be effectively and urgently integrate into the consultative process. It is also difficult to understand how these two agencies, who had direct oversight over the function since its inception and whom we have worked with before, lacked experience and understanding of the function and how it could be integrated.

16. The Internal Audit Department initially learned of this particular audit exercise and the manner in which audits were expected to be completed, on a monthly basis, through the public domain. This suggested that the consultancy approach would be more suitable to facilitate the needs of the client (Cabinet). Additionally, the stimulus exercise was one that was new, there were no established guidelines and the policies were being developed on an on-going basis, which too, would require some consultative assessment from the audit perspective.

17. Communication with the Financial Secretary was held, and thereafter this discussion along with additional submissions from the Ministry of Finance settled that greater value would be derived through the consultative approach. During initial discussions with the team, the Financial Secretary indicated that he would forward the information to the department as it was received, and perhaps involve an internal auditor as part of the project team, which eventually was done.

18. Futhermore, an Auditor was first invited to be a member of the Immediate Relief Implementation Committee, under the Ministry of Finance on April 27, 2020. This Committee

was responsible for coordinating the implementation of the Immediate Relief Package. This was the starting point for the Ministry of Finance to be introduced to the consultative service of the department.

19. The Premier made his announcement on Phase II of the Economic Stimulus Response Plan "Social Protection and Economic Stimulation in COVID-19 on May 28, 2020.

20. The first documented communication received from the Financial Secretary was on June 18, 2020 pertaining to the Fishing and Farming Assistance Grants Programme. We immediately reached out to the Ministry of Finance because the Financial Secretary was responsible for ensuring that this stimulus initiative was properly funded and managed during the execution of the phases. At that time, the Department was informed that the Premier's Office was the agency responsible for executing the programmes.

21. Initial communication concerning the engagement was made to the Premier's Office on July 1, 2020 specifically related to the information we had at hand concerning the Stimulus for Fishermen and Farmers. This first communication outlined the need for information, liaison persons, programme documentation and the need for further communication. Request was also made for the Premier's Office to notify the Department once the programme documents were finalized and the process commenced for the evaluation phase of the programmes. Mrs. Elvia Smith-Maduro, Deputy Secretary in the Premier's Office, was assigned as the point of contact.

22. After we had reviewed the documents that was submitted by the Ministry of Finance on July 2, 2020, further contact, via telephone, was made with Mrs. Smith-Maduro to inform and discuss the approach of the engagement and general knowledge of the programmes to be executed. This discussion was followed up with an email of the same date requesting additional documents to aid in understanding the programmes and expressing our commitment to working collaboratively. However, it seemed that at this stage the administrating entity pulled back communication with the department, when in fact this was the ideal time when the consulting engagement of the Office and the Department should have cohesively taken effect.

23. The report noted that "The review could not establish definitive reasons for the delay(s), however, it is highly likely that the process was constrained due to ***inadequacies in resources to execute the volume of works required to properly administer each programme***". As such there was an expressed appreciation regarding the administrating resources. The audit team realized and documented the fact that there were inadequate resources.

24. While this may be the perspective of the Premier's Office and the Ministry of Finance that there was a failure to appreciate that due to the constraints of the COVID-19 pandemic, there was poor communication and coordination between the officials to respond to the Internal Audit Department, I beg to differ. This exercise was one that was requested by Cabinet and not commissioned by the Internal Audit Department. This we thought would have made it easy to gain access to information and provide an open door for dialogue on the programmes. However, it became extremely difficult to communicate during the process, perhaps because the information was unavailable. Notwithstanding, if the information is unavailable, it should have been communicated. The audit process never requires the client to develop documents because they were requested; and because this exercise was one that was expected to be consultative, it would have provided additional resources to the executing entity, with administrative alternatives.

The International Context

Response to – The Submission Paragraphs 22-40

25. The criticism put forward was that there was a failure on the part of the Internal Audit Department in its evaluation to appreciate the international context of the COVID-19 pandemic. This potential criticism is supported by the Premier's Office's submission at paragraph 57 to 68. In reviewing the evidence submitted it is difficult to understand how such evidence shows that there was a lack of appreciation on our part. From my understanding of the evidence it only documents failed approaches and initiatives of other countries, in particular, the United Kingdom, in its response to the COVID-19 pandemic.

26. The evidence does not in any way support the assertion that this Office did not consider that the pandemic was global and unprecedented. We were clear in our understanding that no Government had the right answer in response to the pandemic. All Governments were learning and adjusting to find the best ways in which to address the on-going social and economic issues which manifested. With this understanding, it was clear that the response used by one country may not be a direct or best fit for another as there are varying factors that present different challenges and circumstances that would warrant amended approaches to deployment of programmes.

27. Although the international context was given due consideration, the Auditors were mindful not to ignore our local circumstances and resource limitations for the sake of following what larger and more well-resourced countries were doing. The Auditors were always mindful of the uncertainties and unknown factors, that is why the engagement was conducted on the basis of whether the overarching objectives and outcomes, as they understood them, were achieved. Although international contexts were understood and appreciated, such

appreciation has to be measured against prudent, well-reasoned and targeted initiatives. It could be equally implied, through the Premier's Office's evidence, that there was an over reliance on the international context and international approach and insufficient appreciation for the local context. The Premier's Office argument would have been better supported through the use of scaling, using economies of similar size and circumstance, when drawing comparison to approaches. If the Premier's Office evidence was to highlight the failure of larger countries' approach to the pandemic compared to our approach, this can easily imply that the Premier's Office has adjudged the Government's approach to also be a failure. In my opinion, the evidence provided registers more as a justification than a criticism or failure on this Department.

28. The mere fact that the Premier's Office is justifying that forgoing controls and normal public financial standards to achieve speed and urgency signals that there may be a breakdown in the understanding of Government's fiduciary responsibility and stewardship in managing the Public's Purse.

29. What the Internal Audit Department sought to do was not to pronounce failure on the Government's response to the pandemic but to evaluate what was done with the hope of offering recommendations that would reduce risks, inform future decision and improve programme outcomes.

Criticism	Internal Auditor's Response
The Internal Auditor's View – Insufficient Appreciation of Policy Context 22. In the paragraph entitled, "*Stimulus Overview*" at page 5 of her Draft Internal Audit Report, the Internal Auditor observes, "*Historically, the focus of government fiscal policy in times of economic downturn has been to ensure that the provisions are timely..., targeted... and temporary....*" [Annex 14]. 23. She remarks that the limitation of the Territory's resources constrains what can be done by fiscal stimulus and requires that "*the value proposition is maximised, and every dollar spent or awarded directly contributes to both the economic prosperity of the territory balanced against combating the social fallout of the pandemic*". 24. However, while it may be implicit in her summary of the aims of such a policy, insufficient emphasis is expressly accorded to the fact that there may be an *inherent tension* between the factors that she cites as relevant to the design and delivery of such a programme. 25. In other words, the compelling need for *timeliness* which she acknowledges may be at odds with the important and desirable goals of value for money and targeting. There may be occasions when the "*value proposi*tion" cannot be maximised. 26. Ultimately, the relevant but competing factors she discusses are matters of policy, the balance of priority of which is for elected ministers to decide. Further, while she rightly acknowledges the "economic *crisis*" the pandemic presented, by her citation of the approach that fiscal policies have adopted "*historically*" in "*economic downturn*" [Annex 14, p. 5], the Internal Auditor appears not to appreciate the unprecedented nature of this crisis. 27. At no other time in history have nations deliberately shut down their own economies for	**<u>Response to – The Submission Paragraphs 22-40</u>** When conveying that the Internal Audit Department provided "Insufficient appreciation of the policy context when carrying out the internal audit", it is questionable from the onset as to how is "insufficient" quantified and to what extent. Based on the Department's research, which was completed prior to the commencement of the exercise, the team identified the parameters as to what constitutes a stimulus programme and how it is administered to get the basic understanding of the engagement at hand and how best to apply them to what the Government was expected to achieve. Upon learning that the Department would be responsible for auditing the stimulus programmes on a monthly basis and having received its first communication from the Ministry of Finance, immediately the team assessed the Government's Policy Response to the Corona Virus Crisis and the various sectors for which relief would be provided. Once the policy was reviewed, the team looked at the suite of programmes to be deployed under the policy and further identified programmes geared towards social relief and those that were specifically geared towards the economy. We were acutely aware that there were factors to be considered when evaluating each programme. For example, socially geared programmes would consider the well-being of individuals to provide basic necessities. Therefore, appropriate systems must be put in place to identify, assess and provide relief. In this case the value proposition would be to ensure that the relief gets to the persons that are in need and not just to anyone. However, policies geared towards the economy, of the Small Medium Enterprises (SMEs) Programme was such, must as a primary objective create value within the economy, whether it is to stabilize or grow the economy. While I do agree that there are inherent tensions between the factors, timely, targeted and temporary, I contend that the maximization of the value proposition must still be the primary consideration within these constraints. The issue at hand, as I see it, is not whether the value proposition cannot be achieved but rather how can we achieve the maximum benefit given the constraints. In paragraph 26 of the Premier's Office's submission, the Internal Auditor is accused of not having an appreciation for the unprecedented nature of this crisis. To support this

months on end. The purpose of a stimulus in such circumstances is to keep the economy's heart beating, to enable businesses to survive and *thereby "to contribute to... the economic prosperity of the Territory"* [Annex 14, p. 5]. This package was intended not only to be a timely fiscal stimulus as in previous downturns, but to administer *immediate relief* by the urgent injection and circulation of money as broadly as possible into the relevant sectors of the economy.

28. That the Internal Auditor has not assigned sufficient recognition to this critical policy context is illustrated by her dismissal of businesses such as "*DJs, entertainers, vehicle rental companies etc.., that would yield little economic benefit while the current environment persists*", as worthy of support [Annex 14, p. 9].

29. But such businesses employ Virgin Islanders, create economic activity and contribute to the economy in various ways. The Government's view was that it was right that those businesses should be given the life support intended by this package, thus enabling them to resume their activities as soon as conditions permitted.

30. As the Internal Auditor implies, the Government faced serious difficulties in achieving the timely delivery of this relief. First, it needed to secure the money, preferably without borrowing or depleting its reserves to the point of placing the Territory in breach of the PEFM.

31. Secondly, the capacity of an un-modernised Public Service to design and administer, as swiftly as needed, an emergency programme of this scale, without any previous experience of doing so and with neglected and exiguous policy formulation, implementation and coordination functions, was always going to be severely stretched. Further, the public service had been in a permanent state of crisis management under significant additional pressure since at least 2017 [Annex 4]. For that reason, it was decided that the Premier's Office would need to take the lead in administering these programmes since, among other considerations, it was in the best position to co-ordinate and

assertion, the words "historically" and "economic downturn" were cited. However, these words were taken entirely out of context as they were taken from the overview of the report, which was provided to give insight as to how such crises are usually addressed. In the same paragraph from which these words were lifted, you would find that the preceding sentence does show appreciation that nations are struggling to respond to the economic crisis caused by the COVID-19 Pandemic. If, by my use of the word "historically" the Premier's Office is saying that this crisis is such that our (BVI) approach to stimulus cannot be informed by historically proven approaches, whether it be monetary or fiscal policy, then I cannot agree with that proposition. In conducting the review of these programmes, it was difficult not to keep the condition at the forefront. However, from an audit perspective, I have a duty to not only consider the nature of the crisis the Government was trying to mitigate but, equally, consideration must also be given to the inherent approach, resource and knowledge constraints (how long the pandemic would ensue). For example, $6.5 million was allocated to the MSME Programme. From the onset, it was known that these monies would be insufficient, therefore, the question at hand would be how best to utilize this limited resource to achieve the maximum benefit towards the desired results.

The Government intended, as they rightfully indicated, that the economic packages were to be timely, as immediate financial relief, but circulated "as broadly as possible" to relevant sectors as a stimulus. This is also evident, stated in the Government's policy response to the corona virus crisis. However, in keeping with the objective to "keep the economy's heart beating" some measure of a targeted approach must be considered.

In evaluating these programmes, I did have appreciation that the intent of the policy was to provide immediate financial relief, but consideration must also be given to the Honorable Premier's Statement at the launch of the Micro, Small and Medium Enterprise (MSME) programme on September 14, 2020, which, in my opinion, clarified the policy decision. Repeatedly, during the launch of the MSME Grant programme, the Honorable Premier referred to the initiative as part of "Phase II of the economic stimulus plan" and that the grants were "being processed and disbursed in accordance with Cabinet's decision from the approved Small Business Grant Programme via the COVID-19 Economic Stimulus Package, in the amount of $6.5M from the Social Security Board." This position is supported in the Premier's Office's

command cross-ministry cooperation and compliance.

32. The Internal Auditor comments [Annex 14, p. 5],

"*Although the stimulus package was announced on May 28, 2020, the agreement for the majority for the funding ($40M) was not signed until July 4, 2020 approximately one month after the announcement. Additionally, even programmes that were funded through central government took more than 2 months before the first payment was made. Programmes geared toward direct support to the economic sectors (SME, farming and agriculture, etc) took in excess of three months for the first payments to be executed. These timeframes for distribution of grant funding would indicate that there was some issue of timeliness since it shows a significant lag in distribution of funds. The review could not establish definitive reasons for the delay(s), however, it is highly likely that the process was constrained due to inadequacies in resources to execute the volume of works required to properly administer each programme. In addition, we note the delay in securing some funding as a contributing factor*".

33. Therefore, as the Internal Auditor accurately narrates [Annex 14, p. 8],
"*The SME Assistance Grants Programme began with an extensive application, eligibility and approval criteria designed to assess each businesses' operational position and compliance with various statutory requirements. However, due to time constraints and the unavailability of requisite data, the majority of these criteria were eliminated from the final execution of the programme to facilitate greater inclusion/participation of businesses that would have been negatively impacted by their non-compliance and inability to provide documentation to meet the established criteria*".

34. This was achieved by employing an approach of making standardised and banded grants with very broad eligibility criteria [Annex 14, p. 8],

submission, which purports that "the purpose of a stimulus in such circumstances is to keep the economy's heart beating, and to enable businesses to survive and thereby contribute to the economic prosperity of the Territory." Therefore, for my office to evaluate the programme solely within the context of **immediate relief** with consideration of the desired outcome of stimulus effect, I believe, would have presented an incomplete assessment. It is on this premise that my statement regarding DJs, entertainers and rental companies was made, not that they were **not worthy of support,** but that based on Government's prevailing policy at the time to restrict large gatherings, closure of the borders for tourism and closure of certain types of industries that would support such businesses, that the desired effect may not be achieved.

Turning my attention to paragraphs 30 – 36, I see no area of contention for the most part, I think we both agree that the deployment of the initiatives encountered some inherent difficulties (funding, human resources, appropriate infrastructure, etc.) that impacted delivery, these are detailed in the Premier's Office's response. It was the responsibility of the framers of the programme to develop structures with these limitations in mind. As the Internal Audit Department had no role in the development of the programme documents and structure, I could only assess and report on what did occur and the potential consequences of those decisions and actions. The deficiencies identified in the report were to enumerate those deficiencies that did in fact materialize as a consequence of the change in this specific programme structure. It was never my intent to imply, nor do I think the report implies, that *refined targeting is **always** the answer to providing social or economic programmes, particularly where inclusivity and speed are the primary policy imperatives.* However, I do contend that financial resource limitations and other relevant factors must be considered when deciding on programme parameters. The programme design must also consider the desired outcome(s) and how to best achieve these outcomes. Yes, the policy decision was to have a rapidly deployed programme that is broadly inclusive but that cannot be the intended outcome of the programme. Again, I believe that the Honorable Premier's statement on 28th May, 2020 entitled "Phase II of the Economic Response Plan: Social Protection and Economic Stimulus in COVID-19", brought significant context to the policy decision and intended/potential outcomes. In my assessment it was clear that the desired outcome was two-fold, social protection and economic stimulus, and these were to be achieve in the fastest most inclusive manner possible. This why in my report I sought to

"As a result, the only eligibility criterion utilized was a valid Trade License and the business employing fewer than 20 employees. The scoring system formulated to determine grant awards was also replaced and businesses were classified into five (5) groups based on the level of financial impact (profit or loss) reported during the assessment periods. These changes to the programme resulted in the following deficiencies..." 35. The deficiencies the Internal Auditor describes are mainly those disadvantages, of over and under inclusiveness, from which any standardised grant scheme will suffer to a greater or larger extent. 36. The Government does not accept that refined targeting is always the answer to providing social or economic programmes, particularly where inclusivity and speed are primary policy imperatives. The level of targeting is always a balance between competing policy goals, but the Government does not dispute that in delivering rapidly, and as inclusively as possible, the relief package in the relevant sectors, which was a unique remedy devised for an unprecedented crisis, it was obliged, consistent with the similar experience of the United Kingdom Government, to trade off some of the value for money safeguards that in normal times are important. 37. In this case, however, as the Internal Auditor finds [Annex 14, p. 6], "*Despite the delays, when considering the conditions under which the programmes were conceived and implemented and the ever-evolving nature of the pandemic, the initiatives can be considered to be timely given the continued depressed state of the BVI economy*". 38. The Government's view, which the Internal Auditor's findings impliedly support, is that both the timeliness and the inclusivity she acknowledges to have been achieved by the implemented scheme, which were crucial policy priorities, could only have been made possible by	identify on a broad basis which category each initiative fell as I was astutely aware that each programme needed to be fairly assessed based on these factors. Bearing this (outcomes) in mind, coupled with the limited funding I contend that greater targeting was necessary to increase the likelihood that the outcomes would be achieved. Without refined targeting and standards the programme eventually made provision for even applicants that did not provide any financial information although this was the second criteria on which applications were to be assessed. The Premier's Office largely contends throughout its response that the Internal Auditor did not sufficiently appreciate the Policy Context and that sufficient emphasis was not expressly accorded to prevailing tensions and environmental factors, but curiously agrees, in paragraph 38, that despite these deficiencies in consideration, our conclusion did arrive that the crucial policy priorities of timeliness and inclusivity were achieved. I find it disingenuous to say that the policy was not sufficiently appreciated while accepting our considered opinion that the programmes were timely and broadly inclusive. What I think the Premier's Office failed to understand is that our function is to objectively review the programmes with a view to not only identify what went right but more so to be future focused by identifying deficiencies in programme design, implementation and outcomes, and offer recommendations that would minimize or eliminate those identified deficiencies, to better inform future programmes to improve the likelihood of achieving the desired outcome.

that trade-off. This is further evidenced by the fact that it was intended as part of the *Immediate Relief* Package that the Department of Social Development should develop and administer an enhanced scheme of income support grants (see paragraph 20) targeted at vulnerable individuals and families. By July 2021, that scheme had yet to make a payment. 39. Finally, these considerations illuminate two additional points. First, it was a reasonable decision in the circumstances to adopt a standardised approach with very blunt-edged eligibility criteria to the payment of grants. Once that decision had been taken, and the first tranche of applications received and processed, it is difficult to see how the basic structure of the scheme could have been significantly adapted in the execution phase. 40. Secondly, as the Internal Auditor said in her evidence to the Commissioner, the role of the Internal Audit Department had originally been conceived by the Cabinet as lending consultative policy formation support and advice to the Ministries and the Premier's Office in the design and execution and monitoring of the scheme. This function is different from the usual *assurance audits* on which the great majority of the Internal Auditor's time is spent. What was needed in the crisis was a flexible, informal and collaborative approach that gave support to the Ministries' severely underpowered resources in the rapid construction of the schemes. They needed urgent support and guidance in policy formation, development and evaluation.	
The Internal Auditor's Initial Involvement 41. However, the consultative role of Internal Audit is infrequently used, and it is apparent that there was no experience and understanding in the Ministry of Finance or the Premier's Office as to how the Internal Audit could be effectively and urgently integrated into this process. 42. Although on 24 June 2020, the Internal Auditor wrote to the Financial Secretary with her initial comments on the policy documents	**Response to – The Submission Paragraphs 41-56** I will acknowledge that the department was not able to follow our normal processes in terms of communications (formal entrance conference and audit notice). However, after the initial notice of July 1, 2020 was submitted, and the manner/spacing in which requests were being submitted, I felt it unnecessary to send notice on each request, as the intended approach was already communicated. Therefore, in the interest of time Auditors identified key personnel for each area it was reviewing. Initially, we intended to review five (5) areas, the report will bear this out, namely:

connected with the scheme that had been submitted to the Cabinet, raising issues and posing questions as to how they would be resolved, those comments were only passed, with a request for answers by 24 July 2020, to the Premier's Office on *21 July 2020* [Annexes 15 and 16]. The Deputy Secretary at the Premier's Office responded that she would do her best. She spoke to the Internal Audit Department on the telephone on or around 22 July 2020 and explained that the Committees were still working through the details of the schemes [Annex 17].

43. On 11 August 2020, the Deputy Financial Secretary followed up the request [Annex 18].

44. The first direct communication made by the Internal Auditor to the Premier's Office did not take place until 4 weeks later. On 9 September 2020, the Internal Auditor emailed the Permanent Secretary, referring to a brief conversation *"some time back"* since which she had been *"able to obtain some information regarding the programmes for which your Ministry is responsible"* and referring to *"the attached correspondence for your review and soonest response"* [Annex 19]. The attached Memorandum asked for general information [Annex 20],

"1. A list of all your COVID-19 Initiatives implemented. 2. An Estimated Expenditure Budget for each COVID-19 Initiative. 3. A list of all contracts executed as a result of all your COVID-19 Initiatives. 4. A list of all vendors procured to provide those relative invoiced products or services. 5 Any policies/procedural guideline developed to manage the programmes. 6. Any challenges faced while administering the programmes to date. 7 Any committee or group being used to evaluate/approve participants of the programme."

45. The request was expressed to include the Farmers/Fishermen, City Transportation, Quarantine/Security Provisions, and Small and Medium Enterprises programmes.

1. Fishing and Farming
2. Micro, Small, Medium Enterprises (MSME) Grants
3. Transportation Initiative
4. House of Assembly Assistance Grant
5. Grants to Education, Religious and Civic Groups

In each of the programmes auditors were able to evaluate, Auditors identified, interviewed and received sufficient documentation from key personnel involved in the programmes to draw conclusions:

MSME Grants:

1. Mrs. Michele Richmond-Phillips – Policy Analyst in the Ministry of Finance – 541-1410
2. Ms. Lizette George – Strategic Policy Analyst in the Premier's Office – 468-9114
3. Mrs. Karia Christopher – Director of Trade – 468-9570
4. Ms. Patlian Johnson – Consultant in the Premier's Office – 300-3148

These four person were integral in not only the policy formulation, but also heavily involved in creating the structure and evaluation of this programme's applicants.

Transportation Initiative:

1. Ms. Haley Trott – Ag. Deputy Secretary, Ministry of Transportation, Works and Utilities was relied on for support and information on this programme – 443-2594

House of Assembly:

1. Mrs. Phyllis Evans – Clerk, House of Assembly – 468-6900
2. Information was also received from the Treasury Department

At all times, I was conscious of not allowing the needed changes in the standard process to compromise the quality of the assessment being undertaken. All work was carried out with due professional care.

From the inception of the internal audit function within the Government of the Virgin Islands, the function has always been under the purview of the Premier's Office or the

46. On 11 September 2020, the Permanent Secretary replied saying that she was copying the message to the Financial Planning Officer in the Premier's Office and her Personal Assistant, so that they could "*help to facilitate this request*" [Annex 19]. 47. On 22 September 2020, the Internal Auditor emailed both officers, following up on the email of 11 September 2020 and asking for "*urgent assistance*" by Friday 25 September 2020 [Annex 19]. 48. However, as is set out below, there was little information of the type requested that could then be given about the Farmers and Fishers Scheme and the Schools, Pre-Schools, Daycares, Churches and Religious Organisations Scheme (Schools and Churches Scheme). 49. The expenditure budget was then still as the Cabinet had decided it. No contracts had been executed and no vendors procured to provide products or services. Furthermore, the design of the programmes was still urgently being considered as it had become clear that the original controls and conditions set by the Cabinet could not be observed if the broad policy objective was to be fulfilled (see paragraphs 68 below). The Deputy Secretary had informed the Internal Audit Department of the work of the committees by telephone in July 2020: see paragraph 42 above. 50. Therefore, there were no policy documents "*to manage the programmes*". The policy was having to be worked out in parallel to implementation. As the Internal Auditor said in evidence to the Commissioner, A "*when we first requested the information, they indicated that they were still at the policy stage of executing the programmes, so the information would not have been available until the programmes were actually administered*" (Annex 21, Day 23/p.55/1-4). 51. Finally, preparations were being made to submit the revised Schools and Churches	Ministry of Finance. Currently, the function falls within the portfolio of the Ministry of Finance. Over the years, we have performed engagements that involve both agencies and there should be adequate knowledge within both as it pertains to what the Department's mandate is and how it goes about executing that function. Therefore, it is disingenuous for the Premier's Office to make the assertion that there was a failure to appreciate that there was no experience and understanding within the Ministry of Finance or the Premier's Office on how the Department could be effectively and urgently integrate into the consultative process. It is also difficult to understand how these two agencies, who had direct oversight over the function since its inception and whom we have worked with before, lacked experience and understanding of the function and how it could be integrated. The Internal Audit Department initially learned of this particular audit exercise and the manner in which audits were expected to be completed, on a monthly basis, through the public domain. This suggested that the consultancy approach would be more suitable to facilitate the needs of the client (Cabinet). Additionally, the stimulus exercise was one that was new, there were no established guidelines and the policies were being developed on an on-going basis, which too, would require some consultative assessment from the audit perspective. Communication with the Financial Secretary was held, and thereafter this discussion along with additional submissions from the Ministry of Finance settled that greater value would be derived through the consultative approach. During initial discussions with the team, the Financial Secretary indicated that he would forward the information to the department as it was received, and perhaps involve an internal auditor as part of the project team, which eventually was done. Futhermore, an Auditor was first invited to be a member of the Immediate Relief Implementation Committee, under the Ministry of Finance on April 27, 2020. This Committee was responsible for coordinating the implementation of the Immediate Relief Package. This was the starting point for the Ministry of Finance to be introduced to the consultative service of the department. The Premier made his announcement on Phase II of the Economic Stimulus Response Plan "Social Protection and Economic Stimulation in COVID-19 on May 28, 2020.

allocations to the Cabinet for approval on 28 September 2020: see paragraph 120 onwards below, and Annex 22. 52. In respect of the SME Grant Scheme, on 29 September 2020, the Department of Trade (under the Premier's Office) confirmed it had afforded the Internal Auditor access to its electronic databases of small business grant applicants. 53. Further reminders to both the Financial Planning Officer and the PS' Personal Assistant were sent on 6 October and 15 October 2020 [Annex 19]. 54. On 18 October 2020, the first payments to applicants commenced. 55. The Government's position on the omission of officials to provide all the information requested up to that date is as follows. First, unlike an *assurance audit*, no formal audit notice and "*entrance meeting*" had been initiated. Officials in the relevant ministries were not familiar with the Internal Audit Department acting in a consultative role and did not see them either as a resource they could use to help them or as carrying out a formal audit with familiar procedural steps. 56. Secondly, the compelling priority to deliver the immediate relief package with overstretched resources and under great pressure did not give scope to public officers to provide timely answers to enquiries and requests for information that were not seen to be of immediately relevant help in the tasks they faced during the crisis. Thirdly, the effects of the pandemic meant that key personnel were at home for much of the time and not in daily communication and meetings with their colleagues. There was, under the constraints faced, poor communication and coordination between the officials.	The first documented communication received from the Financial Secretary was on June 18, 2020 pertaining to the Fishing and Farming Assistance Grants Programme. We immediately reached out to the Ministry of Finance because the Financial Secretary was responsible for ensuring that this stimulus initiative was properly funded and managed during the execution of the phases. At that time, the Department was informed that the Premier's Office was the agency responsible for executing the programmes. Initial communication concerning the engagement was made to the Premier's Office on July 1, 2020 specifically related to the information we had at hand concerning the Stimulus for Fishermen and Farmers. This first communication outlined the need for information, liaison persons, programme documentation and the need for further communication. Request was also made for the Premier's Office to notify the Department once the programme documents were finalized and the process commenced for the evaluation phase of the programmes. Mrs. Elvia Smith-Maduro, Deputy Secretary in the Premier's Office, was assigned as the point of contact. After we had reviewed the documents that was submitted by the Ministry of Finance on July 2, 2020, further contact, via telephone, was made with Mrs. Smith-Maduro to inform and discuss the approach of the engagement and general knowledge of the programmes to be executed. This discussion was followed up with an email of the same date requesting additional documents to aid in understanding the programmes and expressing our commitment to working collaboratively. However, it seemed that at this stage the administrating entity pulled back communication with the department, when in fact this was the ideal time when the consulting engagement of the Office and the Department should have cohesively taken effect. The report noted that "The review could not establish definitive reasons for the delay(s), however, it is highly likely that the process was constrained due to ***inadequacies in resources to execute the volume of works required to properly administer each programme***". As such there was an expressed appreciation regarding the administrating resources. The audit team realized and documented the fact that there were inadequate resources. While this may be the perspective of the Premier's Office and the Ministry of Finance that there was a failure to appreciate that due to the constraints of the COVID-19 pandemic, there

	was poor communication and coordination between the officials to respond to the Internal Audit Department, I beg to differ. This exercise was one that was requested by Cabinet and not commissioned by the Internal Audit Department. This we thought would have made it easy to gain access to information and provide an open door for dialogue on the programmes. However, it became extremely difficult to communicate during the process, perhaps because the information was unavailable. Notwithstanding, if the information is unavailable, it should have been communicated. The audit process never requires the client to develop documents because they were requested; and because this exercise was one that was expected to be consultative, it would have provided additional resources to the executing entity, with administrative alternatives.
The International Context 57. The speed and urgency of the fiscal responses required to the pandemic have made it impossible for governments to adhere to normal public financial management standards throughout the world, even in major economies. In the United Kingdom, the Government, in effect, suspended the applicable rules for the proper management of public money to support the economy in the first 4 months of the pandemic crisis. 58. For example, under the Small Business Grants and the Retail, Hospitality and Leisure Grants Schemes, in addition to the suspension of business rates, standard grants of £10,000 were made to *any ratepayer* (in active business or not), regardless of need and without request, which merely occupied premises that, on 11 March 2020, were registered and eligible for Small Business or Rural Rate Relief (100% up to a rateable value £12000) [Annex 23] and to any retail, hospitality and leisure business that occupied premises registered for those uses with a rateable value of up to £15,000 [Annexes 24 And 25]. Similarly, £25,000 was given to retail hospitality and leisure businesses with premises up to a rateable value of up to £51,000. 59. Such schemes are very blunt instruments and, by definition, not tailored to need. Many second homeowners, who claim (without	**Response to – The Submission Paragraphs 22-40** The criticism put forward was that there was a failure on the part of the Internal Audit Department in its evaluation to appreciate the international context of the COVID-19 pandemic. This potential criticism is supported by the Premier's Office's submission at paragraph 57 to 68. In reviewing the evidence submitted it is difficult to understand how such evidence shows that there was a lack of appreciation on our part. From my understanding of the evidence it only documents failed approaches and initiatives of other countries, in particular, the United Kingdom, in its response to the COVID-19 pandemic. The evidence does not in any way support the assertion that this Office did not consider that the pandemic was global and unprecedented. We were clear in our understanding that no Government had the right answer in response to the pandemic. All Governments were learning and adjusting to find the best ways in which to address the on-going social and economic issues which manifested. With this understanding, it was clear that the response used by one country may not be a direct or best fit for another as there are varying factors that present different challenges and circumstances that would warrant amended approaches to deployment of programmes. Although the international context was given due consideration, the Auditors were mindful not to ignore our local circumstances and resource limitations for the sake of following what larger and more well-resourced countries were doing. The Auditors were always mindful of the uncertainties and unknown factors, that is why the engagement was conducted on the basis of whether the

needing to show evidence) to advertise a property for rent for 20 weeks a year and who had registered it as a business to avoid council tax on domestic dwellings (and by claiming the 100% small business rates relief avoided any property taxes at all) received grants of £10,000 [Annex 26]. Many owners of premises who did not have active businesses received the grant. Others who ran genuine small businesses from home, such as events management or catering businesses, and who will have been in acute need, did not. 60. The permanent secretary at the Department for Business, Energy and Industrial Strategy, considered that the scheme could not comply with the Treasury's Managing Public Money principles and sought a ministerial direction. He wrote, "*At this point in time, it is understandable that it is not possible to confidently estimate the extent to which this funding will help small businesses successfully navigate the impacts of Covid-19. Given the unique circumstances we find ourselves in, there is no evidence on which to base a reliable assessment of the likely net impact of the fund. It is likely that for some of the eligible small businesses this fund will be a welcome lifeline that prevents their business failing. However, there are uncertainties around the extent to which this will be the case and it is inevitable that some funding will end up with companies that would have carried on regardless, without any palpable net growth stimulation effect, or will go to businesses that will eventually fail anyway*" [Annex 27]. 61. However, UK Government ministers took the view that the broader policy imperative of urgently supporting the survival of vulnerable small businesses, a major component of the economy, by schemes that would be bound to be both massively under and over-inclusive was more important. As the permanent secretary observed, in those exceptional circumstances, there was a good policy rationale for the measure [Annex 27].	overarching objectives and outcomes, as they understood them, were achieved. Although international contexts were understood and appreciated, such appreciation has to be measured against prudent, well-reasoned and targeted initiatives. It could be equally implied, through the Premier's Office's evidence, that there was an over reliance on the international context and international approach and insufficient appreciation for the local context. The Premier's Office argument would have been better supported through the use of scaling, using economies of similar size and circumstance, when drawing comparison to approaches. If the Premier's Office evidence was to highlight the failure of larger countries' approach to the pandemic compared to our approach, this can easily imply that the Premier's Office has adjudged the Government's approach to also be a failure. In my opinion, the evidence provided registers more as a justification than a criticism or failure on this Department. The mere fact that the Premier's Office is justifying that forgoing controls and normal public financial standards to achieve speed and urgency signals that there may be a breakdown in the understanding of Government's fiduciary responsibility and stewardship in managing the Public's Purse. What the Internal Audit Department sought to do was not to pronounce failure on the Government's response to the pandemic but to evaluate what was done with the hope of offering recommendations that would reduce risks, inform future decision and improve programme outcomes.

62. Ministerial directions are formal instructions from ministers telling their department to proceed with a spending proposal, despite an objection from their permanent secretary. Each permanent secretary is also the 'accounting officer' for their department whom parliament would call to account for how the department spends its money. They have a duty to seek a ministerial direction if they think a spending proposal breaches any of the following criteria:

a) Regularity – if the proposal is beyond the department's legal powers or agreed spending budgets.
b) Propriety – if it doesn't meet "*high standards of public conduct*", such as appropriate governance and parliamentary expectations.
c) Value for money – if something else, or doing nothing, would be cheaper and better.
d) Feasibility – if there is doubt about the proposal being "*implemented accurately, sustainably or to the intended timetable*" [Annex 28].

63. The permanent secretary of a department will write to the secretary of state expressing their concerns and seeking a direction. In response, the ministerial direction instructs the permanent secretary to implement the decision. As a result of this direction, the minister, not the permanent secretary, becomes accountable for the decision. 14 Ministerial directions were sought in respect of Covid-19 relief measures adopted by the UK Government in the first 4 months of the Covid crisis between March and July 2020 [Annex 29].

64. A further example is the lack of normal checks and controls associated with the design and implementation of the Bounce Back Loan scheme, which caused the accounting officer to seek a ministerial direction because he considered it failed *each of the 4 tests* for managing public money [Annex 30].

65. The Chancellor of the Exchequer had told the House of Commons that the Government would deliberately relinquish ordinary controls,

"*There will be no forward-looking tests of business viability; no complex eligibility criteria; just a simple, quick, standard form for businesses to fill in*". 66. The scheme has been described as a giant bonfire of public money [Annex 31]. The Office for Budget Responsibility predicts losses to fraud and defaulting loans of between £22 billion to £40 billion. The National Audit Office noted that departments had relaxed the controls and checks they would normally have in place to administer and deliver such schemes for the sake of speed. This materially increased the risk of fraud and error [Annex 28]. 67. As the directions show, UK Government ministers were well aware of the acute risks the suspension of ordinary principles of financial management of public money would present and that the need for urgency in administering the stimulus prevented the refinement of the design of the schemes and often even the most basic checks and controls. 68. Although, as its decisions show, the Virgin Islands Cabinet originally intended there to be substantial administrative controls on the relief programmes, it eventually became clear that the Public Service was simply not capable, in parallel, of formulating and executing the various relief programmes with the necessary speed and reach while observing those conditions. Therefore, the Government ultimately considered the same policy approach to be necessary in the Virgin Islands.	

General

Policy Response to COVID-19

- Signed

- 01 April 2020

- MOF

- File: FIN/G2/46

- Mr. Glenroy A. Forbes

- Memo No. 117/2020

Background Information

1)Following the declaration of the coronavirus (Covid-19) outbreak as a global pandemic by the World Health Organisation (WHO) on 11 March, 2020 the Premier formed the Coronavirus Economic and Fiscal Stability Task Force (the Task Force) to critically analyse the potential impact of Covid-19 to various economic and social sectors and advise on the Government's possible economic and fiscal policy response.

2)The Task Force, made up of resource persons and technical experts, analysed the potential impact of Covid-19 to various economic and social sectors in the Territory and developed possible economic, social and fiscal policy initiatives that the Government could implement.

Policy Paper: Government's Policy Response to the Coronavirus Crisis

3)The Policy Paper was prepared with input and feedback from various resource persons. The policy initiatives are based on the results from tourism revenue impact analysis, feedback from the industry and research on policy responses from other countries taking into consideration the BVI context.

4)The paper presents the initial analysis of the impact of travel bans, border closings, cruise ship arrival suspensions and lockdowns implemented to stem the spread of the virus, based on information available at the time. The report also outlines possible policy actions that could provide immediate relief to affected employees and businesses, and interim economic stimulus policy initiatives that could be implemented.

5)A more comprehensive suite of relief and stimulus measures would have to developed as the full scope and duration of the impact of the pandemic on the domestic and global economy, given the scale of the Global Public Health Emergency, the bearing this has had on industries such as tourism, cruise and aviation, forecasts of a global recession and the likelihood that global recovery in many sectors may not begin until some time in 2021.

6)Several potential impacts of the crisis were analysed including the effect on the Government's fiscal position for 2020. Preliminary revised projections indicated an approximate 23% decline in Government collections for 2020 driven by a decline in financial services revenue by a similar percentage and decreases in other major revenue items such as import duties and payroll tax. The economic impact of COVID-19 on the BVI is estimated to have an 18.5% reduction in Government Revenues as compared to the pre-COVID-19 projections.

7)This will have implications for funding of the Government's recurrent expenditure and its capital investment programme going forward. At existing recurrent expenditure levels, the expected recurrent deficit will be in the region of $32 million. The overall fiscal deficit could reach $100 million, compromising the Government's ability to continue implementing its infrastructural recovery programme following the devasting effects of the Hurricanes Irma and Maria.

8)Financial impacts of no tourism arrivals to direct businesses in the industry was also determined. The total direct loss in revenue to the Territory from the initial policy decision to suspend cruise ship arrivals for 30 days (for the period 14 March – 12 April) was approximately $7.6 million. The economic impact on the overnight tourist revenue has the potential to be substantial. The total revenue fallout from a 30-day border closure is in the region of $38 million. After 6-months, a potentially probably scenario, the BVI's direct losses could escalate to $234 million - almost a quarter of the Territory's Gross Domestic Product (GDP).

9)A mandatory curfew for all residents was put in place by Cabinet initially for the period from 27 March to 2 April, 2020. This has been further extended until 19 April, 2020. Potential losses to the business community and individuals for the entire curfew period is substantial. Business revenue losses could reach $53 million compounded by forgone

wages in the region of $13 million. Central Government stands to lose in the form of forgone payroll taxes approximately $0.8 million while the estimated decline in Social Security and National Health Insurance contributions resulting from lost wages is in the region of $1.8 million.

10)The Task Force recommended the implementation of an Immediate Relief Package presented in Table 1 below valued at approximately $39.3 million. This will provide:

a. Immediate financial relief and support to laid-off workers, employees who may be required to work reduced hours and businesses that are directly impacted by the coronavirus; and

b. Additional funding to the health sector as required as well as statutory bodies and public corporations that may be indirectly impacted by the crisis.

11)**Table 1: Immediate Relief Policy Initiatives**

Policy Description
Suspension of payroll tax payments, social security payments and National Health Insurance (NHI) payments (both employee and employer contributions) for a period of 3 months initially for affected businesses.
Moratorium on rental payments for businesses located at Craft's Alive and the Cyril B. Romney Tortola Pier Park.
No electricity disconnections for 3 months for customers that may be in payment default from March 2020 as a result of income being impacted.
Commercial banks will be aggressively lobbied to implement a moratorium on loan and credit card payments for up to 6 months (3 months initially) on a case by case basis.
Income Support Programme in the form of 3 monthly payments up to $1,300 to qualified persons/households.
Increase funding to existing Public Assistance Programme to aid households that are vulnerable but not eligible for direct income loss support.
Small and Medium Enterprises (SME) Subsidy Programme for businesses and self-employed persons impacted by reduced business activity.
Additional resources to support the health sector in the response to COVID-19.
Free water access provided by Water and Sewerage Department for 90 days.
Assistance to Agriculture and Fisheries sector (economic stimulus for Covid -19 crisis).
Place price regulations on goods that are pertinent to reducing the spread of COVID-19 as well as goods sold in industries that receive direct assistance from the Government.

Accelerated Government payments to creditors by reducing payment processing time within Government Departments and Para-Statals.

12)Since the effects of this Global Public Health Emergency are showing signs of impacting many sectors and possibly lasting into 2021 - and perhaps even longer, the Government must also be equipped to:

a. Provide additional assistance to help bridge the financial gap that businesses and employees might face before the economy begins to show signs of rebounding;

b. Provide direct stimulus to important sectors of the economy if the impacts are protracted;

c. Direct resources to areas that can create jobs while providing a productive return and other economic and social benefits, such as construction development; and

d. Provide additional funding to statutory bodies and public corporations that may be indirectly impacted by the crisis.

13)A preliminary suite of initiatives to stimulate economic activity and to assist in stabilizing the social situation was compiled and is presented in Table 2.

14)**Table 2: Preliminary Economic Stimulation Policy Initiatives**

Policy Description
Short-term credit facility to SMEs to boost business activity and protect business continuity if crisis is expected to extend into 2020/2021 tourist season.
Development of training programmes geared towards building people skills for displaced tourism industry workers through HLSCC and funded by BVITB advertising and promotions allocation.
Development of an Unemployment Benefit Scheme with initial upfront funding.
Additional resources to NHI, Ports Authority, BVIEC and BVI Airport Authority as may be required as a result of any indirect impacts of necessary policy decisions and financial shocks ensuing from the coronavirus crisis.
Accelerate social security benefit payments. That is, payment of a percentage of benefits for eligible contributors to supplement lost income now.
'Special' capital investment programmewhich will focus on projects that would provide the maximum economic benefit and where possible provide employment for persons displaced from the tourism industry.
Provide incentives to encourage private sector activity in identified areas that would provide economic benefit and where possible provide employment for persons displaced from the

tourism industry.
Launch a special programme with incentives to boost foreign direct investment in the Territory. There can be a particular focus on tourism infrastructure development.
Technical support by way of virtual seminars to SMEs that will be impacted by anticipated economic fallout.
Provide incentives to drive investment and activities in food production inclusive of agriculture and fisheries, as well as processing. These can include tax breaks for import of equipment.
Develop and implement a programme of activities to stimulate construction activities with a view to stimulating employment and productivity.
Develop a programme to provide long term very low interest loans funded from the Consolidated Fund but managed by National Bank for infant industries and niche industries within main industries, especially in the areas of technology, manufacturing of products from local ingredients such as condiments, lotions, soaps, etc and the support and establishment of recycling businesses

15)The Protocols for Effective Financial Management, signed and entered into on 23 April, 2012, constrain the BVI Government with respect to drawing down from the Reserve Fund, timeframes for implementation of projects involving major expenditure, and accessing loan funding. Some of these constraints are listed below:

- **Section 20**

16)“To ensure that the level of debt is affordable and consistent with the delivery of macroeconomic and fiscal sustainability and financial stability in the short, medium and long term as outlined in the MTFP, the Government of the Virgin Islands will comply with the borrowing limits defined in Annex B no later than the date specified in paragraph 2 of Annex D;”

- **Section 25**

17)“The Government of the Virgin Islands will not proceed with any capital project on which the Secretary of State has made representations until fifteen (15) working days after a full written response has been received by the Secretary of State to those representations.”

- **Section 27**

18)“In the event of any substantive non-compliance by the Government of the Virgin Islands in the respect of the Protocols and until the breach has been rectified, the Government of the Virgin Islands will obtain, on an annual basis, written approval from the Secretary of State before:

a. the MTFP is finalised; or

b. any new public borrowing is undertaken;

c. proceeding with any new project with a lifetime value of more than five (5%) of forecast recurrent revenue;

d. using public assets as collateral as part of any new arrangement with a party external to Government of the Virgin Islands;

e. the hypothecation of any revenue stream; or

f. the divestment of public assets."

- **Section 28**

19)"For the avoidance of doubt, a breach of the borrowing limits in Annex B will constitute a breach of this protocol agreement."

20)With Central Government's limited access to liquid cash – (the only unallocated sources of funding are in the Reserve and Contingency Funds) – any meaningful attempt to implement even the immediate response measures will cause the BVI to run afoul of the Liquid Assets Ratio in the Protocols and be held in breach of the said Protocols.

21)In the absence of substantial grant support from the UK Government to meet the immediate, medium-term and long-term response and economic stimulus programmes, which become necessary as a result of catastrophic events such as the COVID-19 Pandemic, the repeal of Section 20 and the review of Sections 25, 27 and 28, of the Protocols for Effective Financial Management, which constrain the BVI Government's ability to access and generate funding, is required.

Purpose

22)To approve the policy paper 'BVI Government's Policy Response to the Coronavirus Crisis' in order for the Immediate Relief Packages to be implemented by various Government Agencies.

Cross-Ministry Consultation

23)These comments appear below:

Permanent Secretary, Premier's Office stated:

24)The Premier's Office supports the decision sought as it relates to the various economic stimulus incentive packages and financial assistance proposals to those most vulnerable groups affected by the COVID-19 crisis. One area that may also warrant consideration is import duty concessions to small businesses who may need to import materials, supplies or parts for their small businesses to restart operations once the

crisis is over. Some small businesses may not have the liquid capital to cover all associated cost of restocking and maintenance of equipment as a result of loss revenue during this shut down period.

Permanent Secretary, Ministry of Health and Social Development stated:

25)The COVID-19 pandemic has triggered an unprecedented health and socio-economic crisis that calls for rapid and innovative approaches to limit its adverse impact on the livelihood and well-being of a growing number of people.

26)The Ministry of Health and Social Development therefore commends the proactive measures taken across various sectors to safeguard the health and well-being of the people of the Virgin Islands as a first priority, including the significant investments already made towards strengthening the healthcare delivery system, and proposals put forward to provide financial relief to households and small businesses most affected by the economic impacts of COVID-19.

27)The Ministry believes that social protection is critical in meeting the immediate and mid-term impacts of COVID-19 and is poised to tailor financial assistance to qualifying households based on vulnerability analysis, assessments and monitoring, with technical assistance from development partners such as the World Food Programme.

28)The BVI has made significant strides towards institutionalizing a shock-responsive social protection system for responding to emergencies following the successful implementation of a flagship Joint Cash Programme in collaboration with the BVI Red Cross and other partners following the devastating storms of 2017. In the context of the current crisis, the Ministry of Health and Social Development is exploring ways to adapt and scale-up existing programmes to address new and emerging needs once resources become available.

Financial Implications

29)Preliminary revised projections indicated an approximate 23% decline in Government collections for 2020 driven by a decline in financial services revenue by a similar percentage and drops in other major revenue items such as import duties and payroll tax. The economic impact of COVID-19 on the BVI is estimated to have an 18.5% reduction in Government Revenues as compared to the pre-COVID-19 projections. This will have implications for funding of the Government's recurrent expenditure and its capital investment programme going forward.

30)Further pressures will be placed on the Government's fiscal position in 2020 as it implements various relief policies to help shield households and businesses from the fallout from the coronavirus crisis as well as when other measures are instituted to stimulate economic activity.

31)At existing recurrent expenditure levels, the expected recurrent deficit will be in the region of $32 million, which affects the Government's ability to continue the provision of public services at the level that is expected by the residents of the Territory and limits available local resources to fund Government's capital investment programme. The overall fiscal deficit could reach $100 million.

32)The value of the immediate relief package is approximately $39.3 million, to be funded by $27.6 million from the Reserve Fund, $2.9 million from the Contingency Fund $3.6 million from the Consolidated Fund, and $5.2 million from Statutory Bodies and Public Corporations.

33)The full scope and cost of the Preliminary Economic Stimulation Policy Initiatives has not yet been determined. This is because the pandemic is still spreading, the global impacts are deepening and there is no prognosis for when the public health risks will be contained and eliminated so that global business can resume operating with some level of normalcy. Work on this aspect of the BVI Government's response is continuing.

Legal Implications

34)I have reviewed the Policy Response to COVID 19.Though its subject matter "policy response " would ordinarily have have no adverse legal implications for the Government, it would seem to me that social security, payroll tax and other issues raised in the papers which are legislatively based may require legislative amendments to accommodate the decisions sought. The protocols, on the other hand, is an agreement between the Government of the Virgin Islands and the United Kingdom Government. It therefore requires the agreement of the parties to modify or vary the same. Accordingly, the decision to take steps to renegotiate or otherwise vary its terms in the light of the the health pandemic(is a force majeure) is on a sound legal footing.

Communication Strategy

35)The decision of Cabinet will be communicated with the various agencies and via GIS.

Conclusion

36)Members are asked to consider and concur with the decision sought.

Decision Sought

Cabinet is invited to:

a. approve the Policy Paper: BVI Government's Policy Response to the Coronavirus Crisis (**see Appendix A**), which will serve as the interim framework to guide the Government's social, economic and fiscal response to the immediate and short-term needs of the Territory;

b. decide that the Financial Secretary instruct applicable Ministries, Statutory Bodies and Public Corporations to implement the Immediate Relief Package, and for each to submit a bi-monthly report to the Minister of Finance for the information of the Cabinet;

c. decide that the Financial Secretary, in collaboration with the applicable Ministries, Statutory Bodies and Public Corporations will develop a Phase Two economic and social response programme guided by the Economic Stimulus component of the Policy Paper, which programmes are to be submitted to the Minister of Finance within 30 days for presentation to the Cabinet;

d. agree to instruct the Financial Secretary to lead technical discussions with the UK Government's Financial Technical Team in petitioning the Secretary of State to relieve the Government of its obligation under Section 20 of the Protocols for Effective Financial Management and the review and amendment of Sections 25, 27 and 28, to enable the BVI Government to secure the funding necessary to respond to catastrophic events such as the COVID-19 pandemic, in light of:

    1. the real impacts and forecasted economic outlook for the BVI due to the catastrophic COVID-19 pandemic;

    2. the unavailability of grant funding from the UK Government, and

    3. the impediment the conditions of the Protocols for Effective Financial Management pose to the BVI Government being able to finance the immediate relief and economic stimulation programmes on its own;

e. approve that all final decisions to be taken in the negotiations with respect to the decision item (d) shall be approved by the Cabinet of the Virgin Islands, prior;

f. approve that the Financial Secretary furnish the Cabinet with bi-monthly reports on the actions taken with respect to decision item (d);

g. agree that any and all funding, aid, assistance, grant, gift or donation, whether monetary or non-monetary, received by or on behalf of the BVI from or through any country or government, person, business, institution, organisation/NGOs with respect to the COVID-19 global pandemic, the economic effects of the pandemic or anything otherwise related to the pandemic, shall be payable into the Consolidated Fund and managed through the Ministry of Finance, in keeping with the Virgin Islands Constitution Order, 2007, the Public Finance Management Act, 2004, and the Audit Act, 2003 to ensure accountability and fiscal responsibility through one single Virgin Islands institutional framework to ensure public accounts accountability, transparency and good governance in the management and auditing of monetary or non-monetary contributions to the Virgin Islands for COVID-19 pandemic;

h. agree that the Minister of Finance publicly account and report on any and all funding, aid, assistance, grant, gift or donation monetary or non-monetary,

received by or on behalf of the BVI from or through any country or government, person, business, institution, organisation/NGOs with respect to the COVID-19 global pandemic in keeping with transparency, accountability and good governance; and

i. decide that an expedited extract be issued to allow the decisions of the Cabinet to be acted upon before the confirmation of the Minutes.

Recipients: Permanent Secretary, MHSD; Attorney General, AGC; Permanent Secretary, PO;

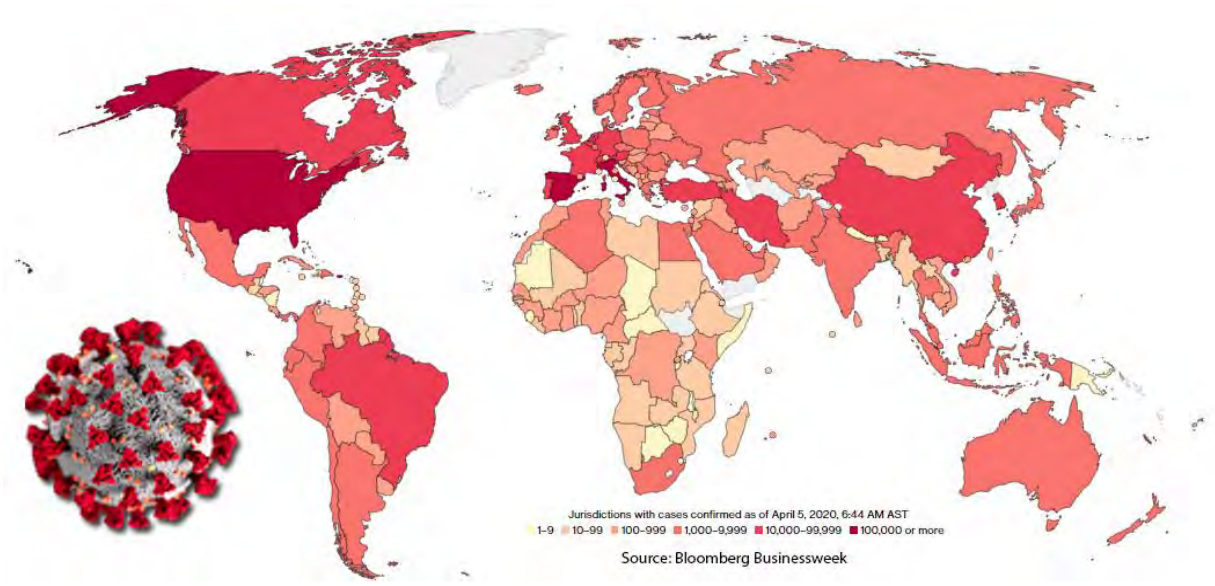
Hon. Andrew A. Fahie
Minister of Finance

12 April 2020

GOVERNMENT OF THE VIRGIN ISLANDS

BVI GOVERNMENT'S POLICY RESPONSE TO THE CORONAVIRUS CRISIS

POLICY PAPER



APRIL 7, 2020

CORONAVIRUS ECONOMIC AND FISCAL STABILITY TASK FORCE

Table of Contents

1 Executive Summary 2

2 Introduction 10

3 Global Impact 12

4 BVI Impact 17

4.1 Tourism Sector 17

4.1.1 Cruise Sector 17

4.1.2 Overnight Sector 19

4.2 Mandatory Curfew Impact 20

4.3 Fiscal Impacts 21

4.4 Other Economic Impacts 23

5 Immediate Relief Package 24

6 Economic Stimulus Policy Initiatives 28

7 Funding 30

9 Conclusion – Next Steps 33

1 Executive Summary

The deadly novel coronavirus (COVID-19) outbreak was declared a global pandemic by the World Health Organisation (WHO) on 11 March, 2020. In three months, the virus has escalated to 1.4 million COVID-19 recorded infections in 207 countries, with a death toll of over 81,000 persons and climbing.

The pandemic is having a devastating impact on economies worldwide as governments impose policy measures to contain the spread of the virus. These measures include travel bans, border closings, cruise ship arrival suspensions, complete lockdown of cities and jurisdictions, and other policy actions. The effects on the cruise and aviation industries have been crippling, and this has implications for the tourism industry. Global tourism is forecast to lose hundreds of billions of dollars and cost 50 million tourism and travel jobs.

Following the declaration of the deadly novel coronavirus (COVID-19) outbreak as a global pandemic by the WHO on 11 March, the Premier of the Virgin Islands formed the **Coronavirus Economic and Fiscal Stability Task Force** (the Task Force) to critically analyse the potential impact of COVID-19 to various economic and social sectors and advise on the Government's possible economic and fiscal policy response.

This Policy Paper presents the initial analysis of the impact of travel bans, border closings, cruise ship arrival suspensions, complete lockdown of the Territory and other policy actions implemented to stem the spread of the virus in the BVI. The report also outlines possible policy actions that could provide immediate relief to affected employees and businesses and economic stimulus policy initiatives that could be implemented if the crisis persists.

Since the pandemic is worsening in many major jurisdictions, experts estimate the direct effects and aftermath may not dissipate for at least a year. As such, the conclusions and recommendations presented in this paper must be treated as preliminary. Further monitoring and analysis must continue to identify emergent issues and to formulate a more comprehensive and longer-term response programme.

Fiscal Impact

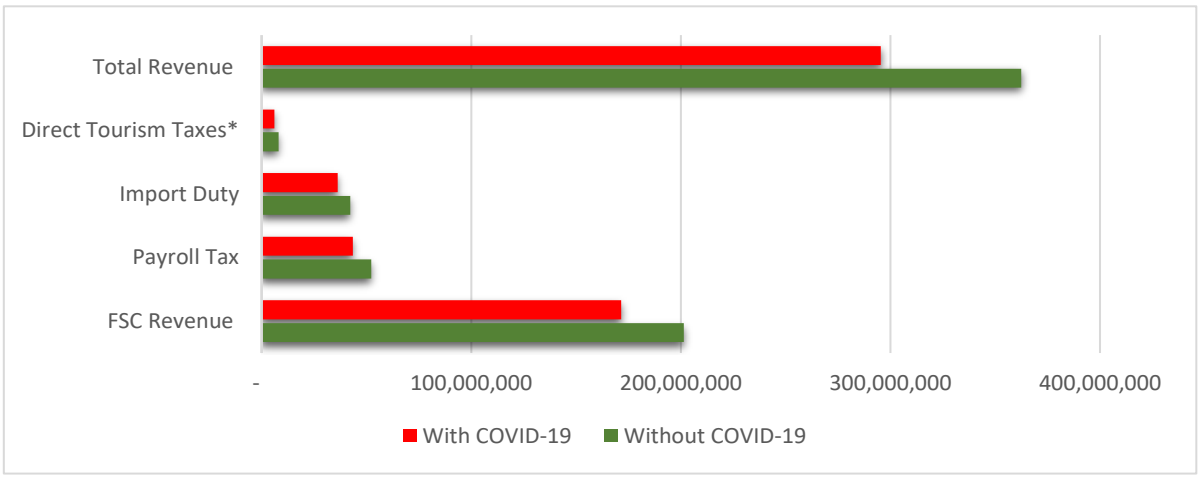
Preliminary revised projections indicated an approximate 23%[1] decline in Government collections for 2020 driven by a decline in financial services revenue by a similar percentage and drops in other major revenue items such as import duties and payroll tax.

Forecasts based on the estimated impact of COVID-19 on the BVI economy, in particular the key drivers, suggest a further 18.5% loss in Government revenue. (See Figures 1 and 2)
This will have implications for funding of the Government's recurrent expenditure and its capital investment programme going forward.

It will also place a strain on the public purse as affected employees and businesses turn to the Government for support in light of the initial lockdown period and the protraction of the economic impact of the pandemic at home and abroad.

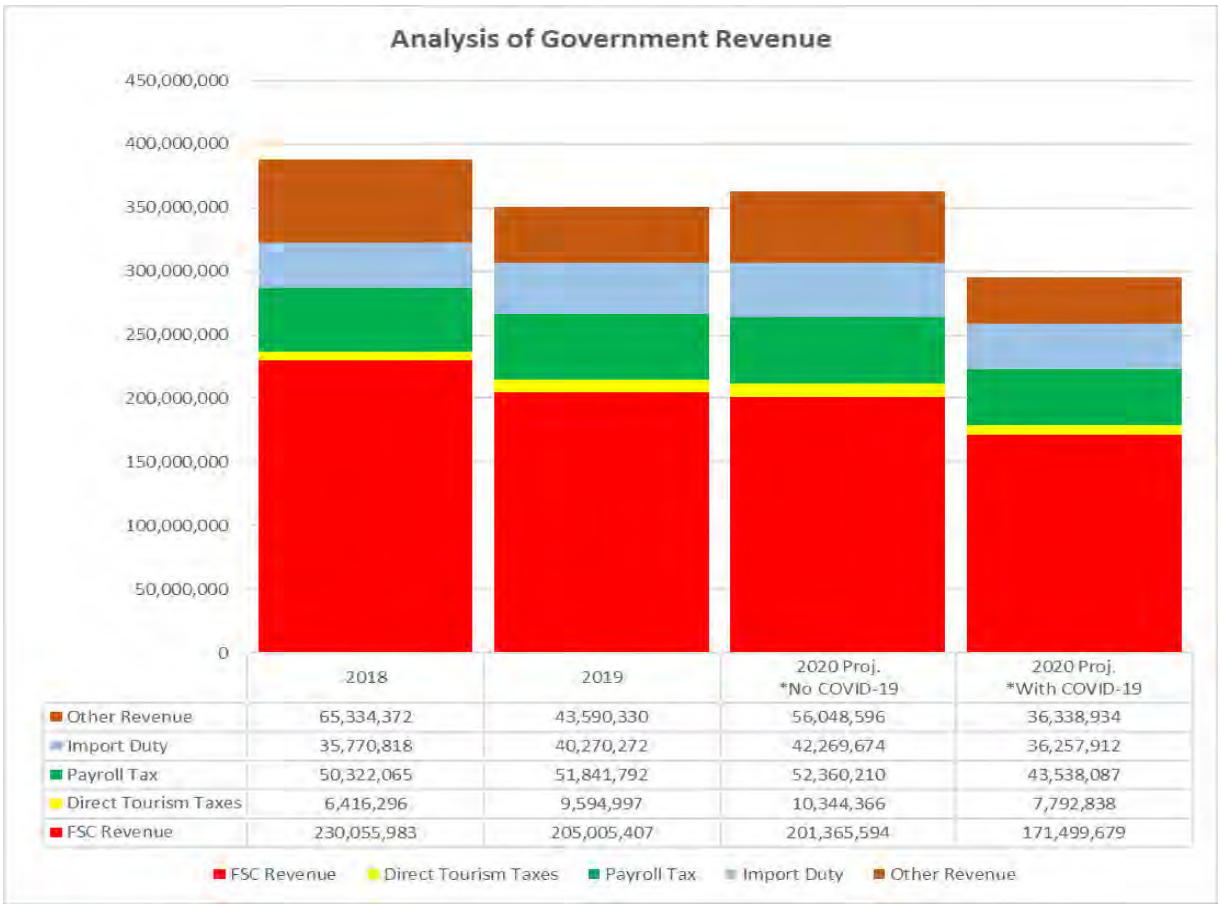
[1] Revenue projections for 2020 will be revised monthly once actual revenue data is analysed every month.

Figure 1: 2020 Revenue Projection Comparisons



*Hotel Accommodation Tax, Cruising Permits, Motor Vehicle Tax and Fishing Licenses

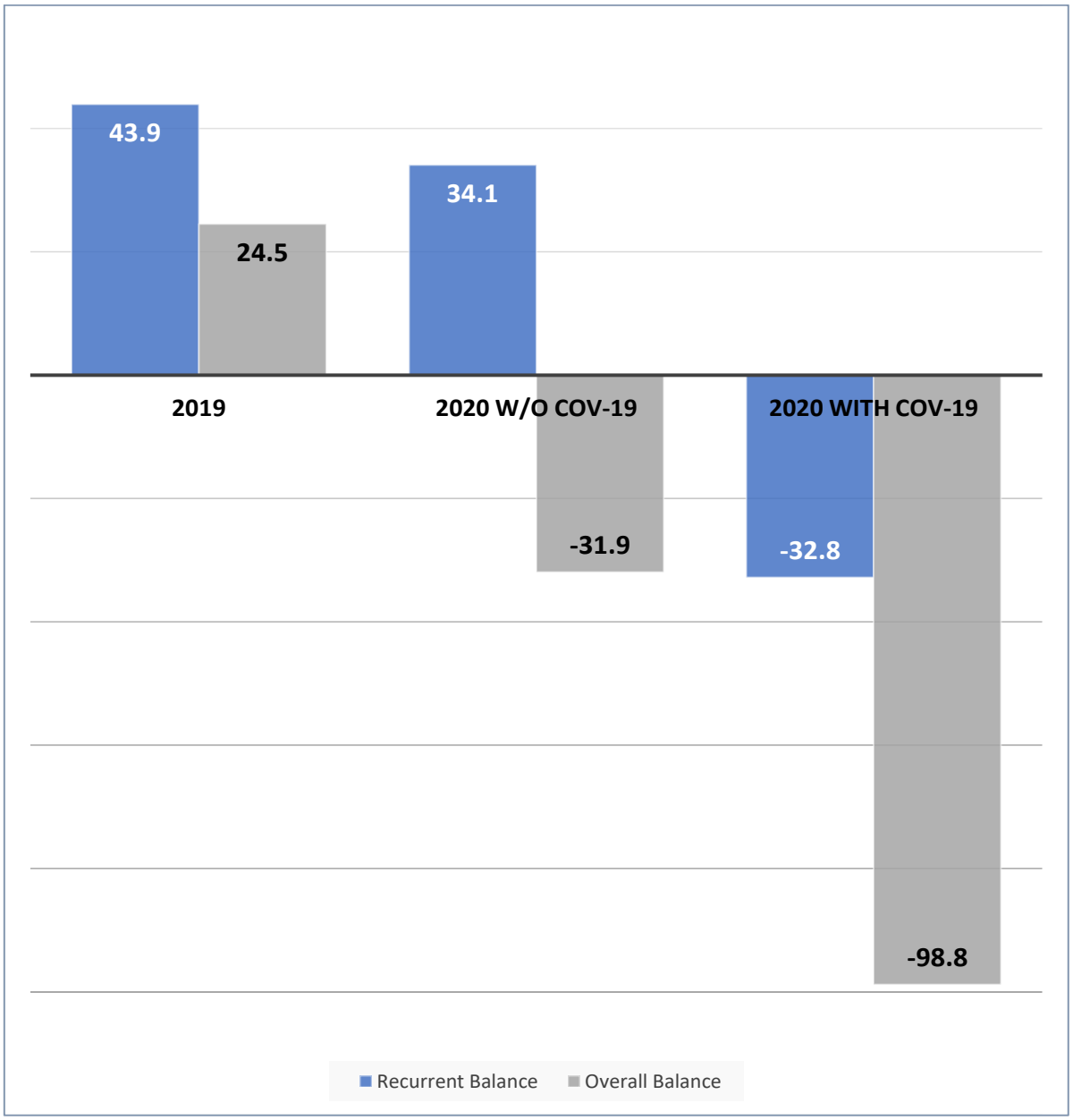
Figure 2: Comparison of 2020 Revenue Projections to 2018 and 2019



	2018	2019	2020 Proj. *No COVID-19	2020 Proj. *With COVID-19
Other Revenue	65,334,372	43,590,330	56,048,596	36,338,934
Import Duty	35,770,818	40,270,272	42,269,674	36,257,912
Payroll Tax	50,322,065	51,841,792	52,360,210	43,538,087
Direct Tourism Taxes	6,416,296	9,594,997	10,344,366	7,792,838
FSC Revenue	230,055,983	205,005,407	201,365,594	171,499,679

At existing recurrent expenditure levels, the expected recurrent deficit is expected to be in the region of $32 million. The overall fiscal deficit could reach $100 million, where no adjustments are made to the Government's expenditure programme. (See Figure 3)

Figure 3: Deficit/Surplus Estimates 2019 and 2020 ($M)



Impact to Tourism Sector

The total direct loss in revenue to the Territory from the initial policy decision to suspend cruise ship arrivals for 30 days (for the period 14 March – 12 April) was approximately $7.6 million. The economic impact on the overnight tourist revenue has the potential to be substantial.

The total revenue fallout from a 30-day border closure is in the region of $38 million. After 6-months, a potentially probable scenario, the BVI's direct losses could escalate to $234 million, almost a quarter of the Territory's annual Gross Domestic Product (GDP). (See Table 1)

Table 1: Tourism Revenue Losses: Restrictions on Cruise and Overnight Tourist Arrivals 2020

Scenarios	Assumptions	Gov't Revenue (millions)	Tourism Revenue (millions)	Total (millions)
CRUISESHIP				
1	30-Day Suspension only (March 14th – April 12th)	$1	$6.6	$7.6
2	30-Day Suspension, No Calls Up to Sept. and 50% Calls from Oct. – Dec., 2020	$2.2	$14.3	$16.5
3	30-Day Suspension, No Calls Up to Sept. and 100% Calls from Oct. – Dec., 2020	$1.1	$7.4	$8.5
OVERNIGHT				
1	No overnight tourists for 30 days	$1.6[2]	$36.6	$38.2
2	No overnight tourists for 60 days	$3.3	$74.8	$78.1
3	No overnight tourists for 6 months	$9.8	$224.3	$234.1

<u>Mandatory Curfew Impact</u>

A mandatory curfew for all residents was put in place by Cabinet initially for the period from 27 March to 2 April, 2020, and has been further extended until 16 April, 2020. Table 2 presents the potential losses to the business community, individuals as well as Government and Statutory Bodies for the initial 5-day work period as well as the extension for 12 working days.

Table 2: Potential Losses as a result of Mandatory Curfew

	5 Working Days ($M)	12 Working Days ($M)	17 working Days ($M)
Business Revenue Loss	15.5	37.6	53.1
Loss Wages	3.9	9.4	13.3
Payroll Tax	0.2	0.6	0.8
SSB and NHI Contributions	0.5	1.3	1.8

[2] Includes mainly hotel accommodation tax, environmental levy and national parks fees.

Immediate Relief Summary

The goals of the Government's immediate policy response are to:

1. Provide immediate financial relief and support to laid-off workers, employees who may be required to work reduced hours and businesses that are directly impacted by the coronavirus; and

2. Provide additional funding to the health sector as required as well as statutory bodies and public corporations that may be indirectly impacted by the crisis.

The value of this package to date is approximately **$39.3 million.**

Policy Description
Suspension of payroll tax payments, social security payments and National Health Insurance (NHI) payments (both employee and employer contributions) for a period of 3 months initially for affected businesses.
Moratorium on rental payments for businesses located at Craft's Alive and the Cyril B. Romney Tortola Pier Park.
No electricity disconnections for 3 months for customers that may be in payment default from March 2020 as a result of income being impacted.
Commercial banks will be aggressively lobbied to implement a moratorium on loan and credit card payments for up to 6 months (3 months initially) on a case by case basis.
Income Support Programme in the form of 3 monthly payments up to $1,300 to qualified persons/households.[3]
Increase funding to existing Public Assistance Programme to aid households that are vulnerable but not eligible for direct income loss support.
Small and Medium Enterprises (SME) Subsidy Programme for businesses and self-employed persons impacted by reduced business activity.
Additional resources to support the health sector in the response to COVID-19.
Free water access provided by Water and Sewerage Department for 90 days.
Assistance to Agriculture and Fisheries sector (economic stimulus for Covid -19 crisis).
Place price regulations on goods that are pertinent to reducing the spread of COVID-19 as well as goods sold in industries that receive direct assistance from the Government.
Accelerated Government payments to creditors by reducing payment processing time within Government Departments and Para-Statals.

[3] The details of this programme are being considered by the Ministry of Health and Social Development. It could be a hybrid of the Household Assistance Programme that was implemented shortly after Hurricane Irma in 2017.

Economic Stimulus Summary[4]

Since the effects of this crisis are showing signs of impacting other sectors and possibly lasting into the beginning of the 2020/2021 tourist season - and perhaps even longer, the Government must also be equipped to:

1. Provide additional assistance to help bridge the financial gap that businesses and employees might face before the economy begins to show signs of rebounding;

2. Provide direct stimulus to important sectors of the economy if the impacts are protracted;

3. Direct resources to areas that can create jobs while providing a productive return and other economic and social benefits, such as construction development; and

4. Provide additional funding to statutory bodies and public corporations that may be indirectly impacted by the crisis.

Policy Description
Short-term credit facility to SMEs to boost business activity and protect business continuity if crisis is expected to extend into 2020/2021 tourist season.
Development of training programmes geared towards building people skills for displaced tourism industry workers through HLSCC and funded by BVITB advertising and promotions allocation.
Development of an Unemployment Benefit Scheme with initial upfront funding.
Additional resources to NHI, Ports Authority, BVIEC and BVI Airport Authority as may be required as a result of any indirect impacts of necessary policy decisions and financial shocks ensuing from the coronavirus crisis.
Accelerate social security benefit payments. That is, payment of a percentage of benefits for eligible contributors to supplement lost income now.
'Special' capital investment programme_which will focus on projects that would provide the maximum economic benefit and where possible provide employment for persons displaced from the tourism industry.
Provide incentives to encourage private sector activity in identified areas that would provide economic benefit and where possible provide employment for persons displaced from the tourism industry.
Launch a special programme with incentives to boost foreign direct investment in the Territory. There can be a particular focus on tourism infrastructure development.
Technical support by way of virtual seminars to SMEs that will be impacted by anticipated economic fallout.
Provide incentives to drive investment and activities in food production inclusive of agriculture and fisheries, as well as processing. These can include tax breaks for import of equipment.
Develop and implement a programme of activities to stimulate construction activities with a view to stimulating employment and productivity.

[4] Initial ideas which require more distillation.

Develop a programme to provide long term very low interest loans funded from the Consolidated Fund but managed by National Bank for infant industries and niche industries within main industries, especially in the areas of technology, manufacturing of products from local ingredients such as condiments, lotions, soaps, etc. and the support and establishment of recycling businesses

Funding

The BVI will continue to work with regional development partners to assist in the Government's response where applicable. However, as the crisis progresses, direct financial assistance from the UK Government may need to be considered.

Initial funding for the Immediate Relief Package will mainly come from the Reserve Fund (approximately 71%). But as the crisis continues other sources of funding to continue relief efforts and further stimulate economic activity will need to be actively considered.

The Protocols for Effective Financial Management, signed and entered into on 23 April, 2012, constrain the BVI Government with respect to drawing down from the Reserve Fund, timeframes for implementation of projects involving major expenditure, and accessing loan funding. Some of these constraints are listed below:

- **Section 20**

  "To ensure that the level of debt is affordable and consistent with the delivery of macroeconomic and fiscal sustainability and financial stability in the short, medium and long term as outlined in the MTFP, the Government of the Virgin Islands will comply with the borrowing limits defined in Annex B no later than the date specified in paragraph 2 of Annex D;"

- **Section 25**

  "The Government of the Virgin Islands will not proceed with any capital project on which the Secretary of State has made representations until fifteen (15) working days after a full written response has been received by the Secretary of State to those representations."

- **Section 27**

  "In the event of any substantive non-compliance by the Government of the Virgin Islands in the respect of the Protocols and until the breach has been rectified, the Government of the Virgin Islands will obtain, on an annual basis, written approval from the Secretary of State before:

  a) the MTFP is finalised; or
  b) any new public borrowing is undertaken;
  c) proceeding with any new project with a lifetime value of more than five (5%) of forecast recurrent revenue;

d) using public assets as collateral as part of any new arrangement with a party external to Government of the Virgin Islands;
e) the hypothecation of any revenue stream; or
f) the divestment of public assets."

- **Section 28**

"For the avoidance of doubt, a breach of the borrowing limits in Annex B will constitute a breach of this protocol agreement."

With Central Government's limited access to liquid cash – (the only unallocated sources of funding are in the Reserve and Contingency Funds) – any meaningful attempt to implement even the immediate response measures will cause the BVI to run afoul of the Liquid Assets Ratio in the Protocols and be held in breach of the said Protocols.

In the absence of substantial grant support from the UK Government to meet the immediate, medium-term and long-term response and economic stimulus programmes, which become necessary as a result of catastrophic events such as the COVID-19 Pandemic, the repeal of Section 20 and the review of Sections 25, 27 and 28, of the Protocols for Effective Financial Management, which constrain the BVI Government's ability to access and generate funding, is required.

The Government will also explore the following options[5] for financing its immediate relief and economic stimulus packages:

1. Budget savings identified following a review of the 2020 budget expenditure (recurrent and capital). A preliminary target of 10% of initial budget allocations should be set.

2. Savings from the decrease in interest payments charged on a floating rate basis, and potential renegotiation of loan terms on major disbursed outstanding debt;

3. Additional revenue from any revenue generating initiatives[6];

4. Social Security concessional loan;

5. Concessionary loans from development banks including the Caribbean Development Bank (CDB); and

6. Financial Assistance from local, regional and international NGOs and donors.

[5] These options will need careful analysis and consideration and the impact on fiscal balances would need to be assessed and continuously monitored.
[6] The Task Force discussed potential revenue initiatives focused on raising very low administrative fees charged by Government.

2 Introduction

Towards the close of 2019, a cluster of pneumonia, of unknown cause, was reported in the city of Wuhan in Hubei province, China, by the World Health Organisation (WHO). On 10 January, 2020, the cause was identified as a novel coronavirus and three days later, on 13 January, 2020, the first case of the virus was identified outside of China. By the end of January, WHO Director-General Dr. Tedros Adhanom Ghebreyesus declared the 2019-nCoV outbreak a Public Health Emergency of International Concern.[7]

On 11 March, 2020, the WHO characterized COVID-19 as a pandemic by which time there were more than 118,000 cases in 114 countries, and 4,291 lives lost to the virus[8], which has continued to spread rapidly across the world. (See Figure 1)

At present, there are over 1.4 million COVID-19 cases in 207 countries, with a death toll of over 81,000 persons and climbing.

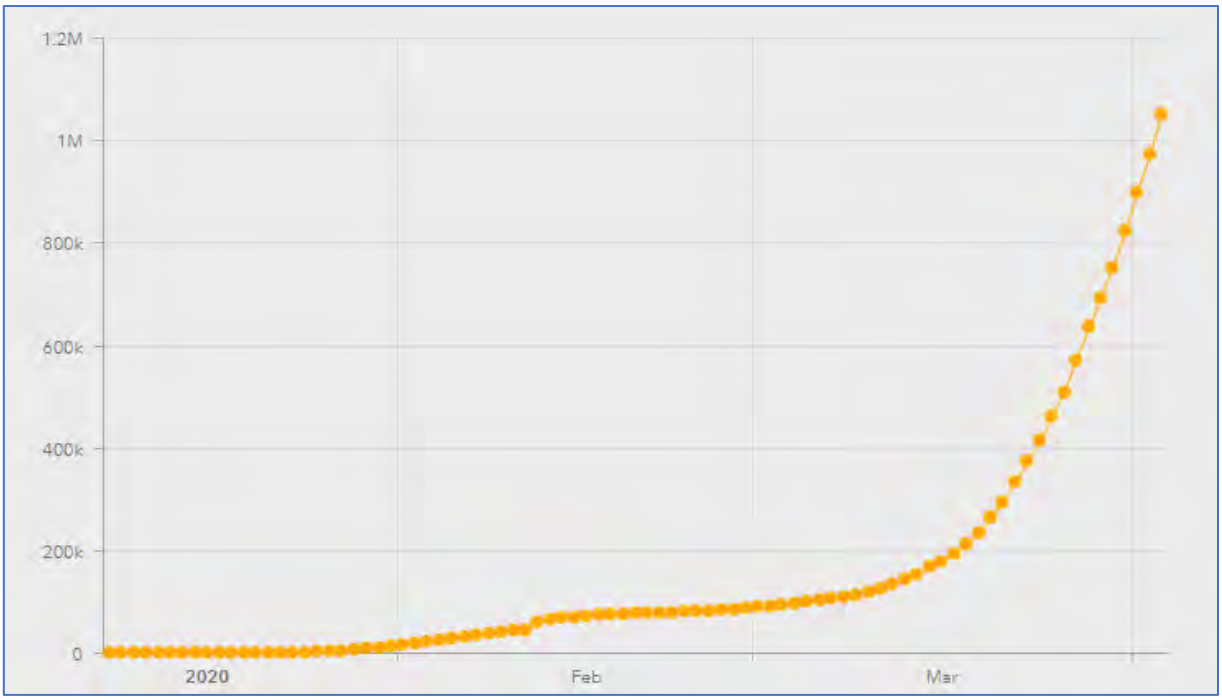


Figure 1: Cumulative cases of the coronavirus (COVID-19) globally as at 4 April, 2020[9]

Recognising the global scale and severity of this crisis and the possibility of major impacts on the industries and economy of the British Virgin Islands, the Premier of the Virgin Islands identified the need for a detailed assessment of potential risks and countermeasures. On this basis, the Premier established the **Coronavirus Economic and Fiscal Stability Task Force**

[7] https://www.who.int/emergencies/diseases/novel-coronavirus-2019/events-as-they-happen
[8] https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020
[9] https://experience.arcgis.com/experience/685d0ace521648f8a5beeeee1b9125cd (Accessed April 4, 2020)

(the Task Force). The Task Force held its first meeting on 13 March, 2020, and has been meeting regularly thereafter.

The group is comprised of resource persons and technical experts, and is responsible for critically analysing the potential impact of COVID-19 to various economic and social sectors and the Government's fiscal position, and developing Government's possible economic and fiscal policy response based on various scenarios. This will be presented for review and consideration by the Premier and Minister of Finance.

This Policy Paper was prepared by the Technical Group of the Coronavirus Economic and Fiscal Stimulus Task Force at the direction of the Chairman, Financial Secretary Mr. Glenroy Forbes, with significant input and feedback from the resource persons on the Task Force. The policy initiatives are based on the results from tourism revenue impact analysis, feedback from the industry, and research on policy responses from other countries.

The Policy Paper includes initiatives announced by the Government in response to the coronavirus crisis including: free water and electricity access to all customers for 30 days; $12 million in additional funding for health services and $2 million stimulus package for fishing and farming production, amongst others.

TASK FORCE MEMBERS

Chair: Financial Secretary Mr. Glenroy Forbes

Technical Team: Recovery & Development Cooperation Specialist Patlian Johnson (Premier's Office), Head of Macro-Fiscal Unit Michelle Phillips (Ministry of Finance), Head of Central Statistics Office Raymond Phillips, Policy Analyst II Dawn Joseph (Ministry of Finance), Head of Monitoring and Evaluation Kinisha Forbes (Recovery to Development Agency) and Special Envoy of the Premier/International Affairs Advisor Mr. Benito Wheatley.

Resource Persons: Permanent Secretary Dr. Carolyn O'Neal Morton (Premier's Office), Permanent Secretary Mrs. Petrona Davies (Health & Social Development), Permanent Secretary Dr. Marcia Potter (Labour, Immigration & Natural Resources), Deputy Financial Secretary Mr. Jeremiah Frett, Deputy Secretary Ms. Tasha Bertie (Health & Social Development), Director of International Business Regulation Mrs. Lisa Penn-Lettsome, Director of Department of Trade and Consumer Affairs Mrs. Karia Christopher, Director of International Affairs Secretariat Najan Christopher, Senior Policy Analyst Ms. Lizette George, Senior Administrative Officer Ms. Nadia Demming (Ministry of Labour, Immigration & Natural Resources), Data Analyst Joseph Rosan (Premier's Office), BVI Tourist Board Director Mrs. Sharon Flax-Brutus, Social Security Board Director Mrs. Antoinette Skelton, Executive Director of BVI Finance Ltd. Ms. Elise Donovan, Financial Services Commission Chief Operating Officer Mrs. Jennifer Potter-Questelles and Social Security Board Chief Investment Officer Mr. Everette Frazer.

3 Global Impact

By the end of March, the epicentre of the novel coronavirus outbreak had shifted away from China to the United States and Europe (i.e. Italy, Spain, France) where the highest numbers of daily infections and deaths were being recorded.

As public awareness began to spread about the contagious nature of the coronavirus and the severe risks it posed, especially to the elderly and persons with certain pre-existing medical conditions, the cruise ships and air travel came into focus.

At least 13 cruise ships have reported suspected or confirmed cases of COVID-19. Cruise operators began cancelling or changing their itineraries as countries across the world implemented travel restrictions to curb the disease spread. Ports began refusing to accept cruise ships that had been to countries with COVID-19 cases, which were carrying passengers who travelled through countries with COVID-19 cases, or carrying passengers showing flu symptoms or suspected of having the coronavirus.[10]

Airports began implementing measures to screen arriving and departing passengers. Within the matter of days, countries began quickly moving to close their borders altogether. According to International Air Transport Association (IATA), at least 100 countries have imposed travel restrictions. (See Figure 2)

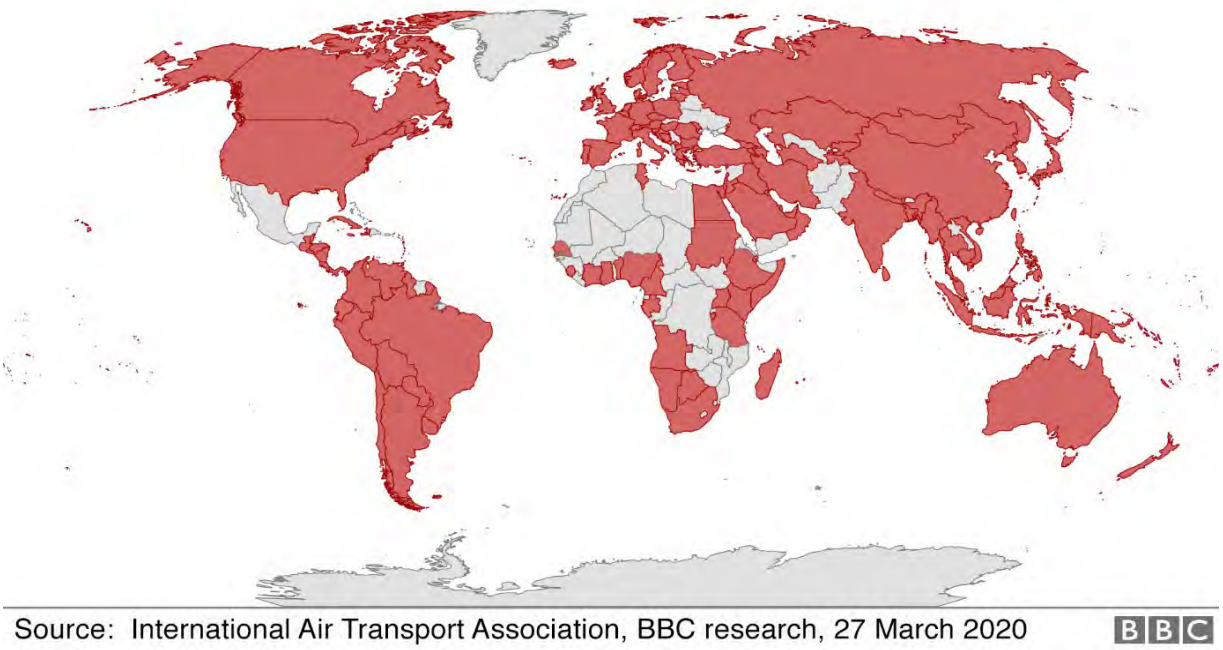


Figure 2: Countries with travel restrictions as a result of coronavirus[11]

[10] https://www.ship-technology.com/features/coronavirus-outbreak-2019-ncov-impact-cruise-operators-measures-tourism/

[11] https://www.bbc.com/news/business-51706225

Around the world, airlines have been cancelling flights and grounding their fleets due to travel bans, border closures and fear of traveling. (See Figure 3) IATA has projected a possible hit to worldwide airline revenues of up to $113 billion this year. With airlines' share prices in a nose-dive, British Airways' Chief Executive Officer, Alex Cruz, described the situation as "a crisis of global proportions like no other we have known".[12]

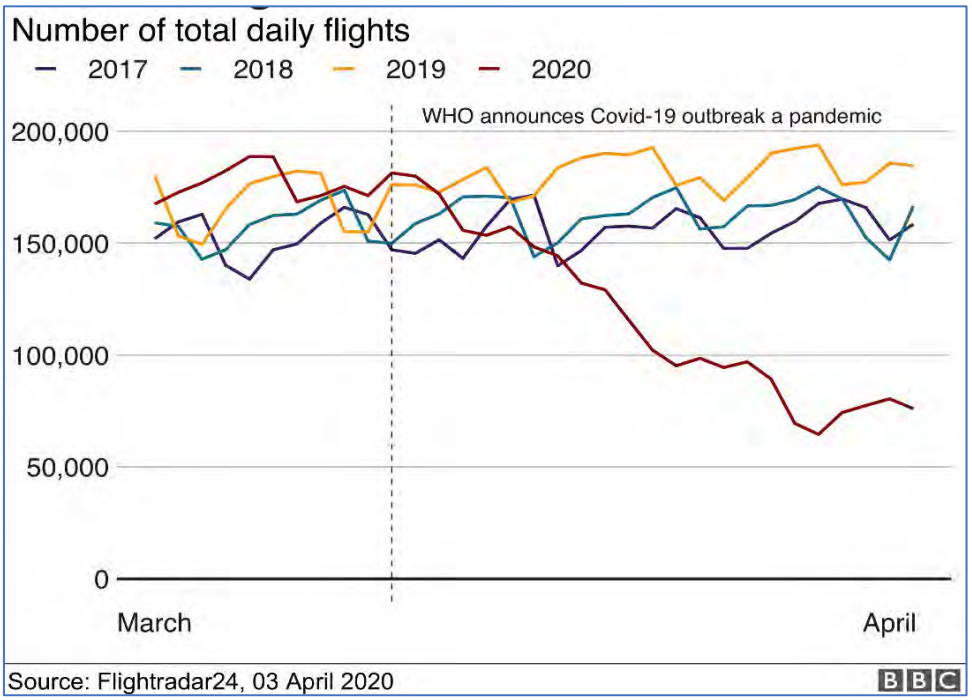


Figure 3: Global total daily flights comparison[13]

The World Travel and Tourism Council (WTTC) has warned the COVID-19 pandemic could cut 50 million jobs worldwide in the travel and tourism industry.[14] The full impact would depend on how long the epidemic lasts and could still be exacerbated by recent restrictive measures, such as those taken by the U.S. administration on travel to Europe.

In the area of trade, output contractions in China are being felt around the world, reflecting the key and rising role China has in global supply chains, travel and commodity markets.[15] Social distancing protocols have impacted workplaces worldwide, creating complications for conducting business that involve person-to-person contact. The number of employees and customers allowed into confined areas is being limited, slowing down turnover and output rates and lowering investor confidence. Investors are reacting to fear that the spread of the coronavirus will destroy economic growth and that government action may not be enough to stop the decline, leading to major declines in stock markets, as illustrated in Figure 4.

[12] https://www.economist.com/business/2020/03/15/coronavirus-is-grounding-the-worlds-airlines
[13] https://www.bbc.com/news/business-51706225
[14] https://www.weforum.org/agenda/2020/03/world-travel-coronavirus-covid19-jobs-pandemic-tourism-aviation/
[15] https://www.oecd.org/berlin/publikationen/Interim-Economic-Assessment-2-March-2020.pdf

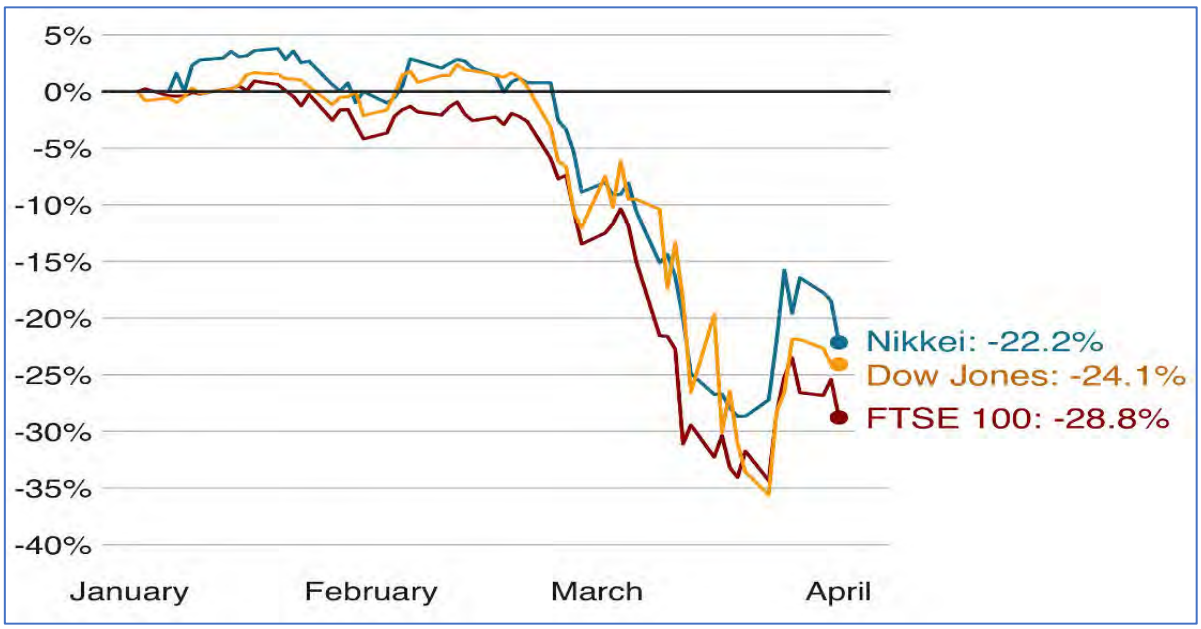


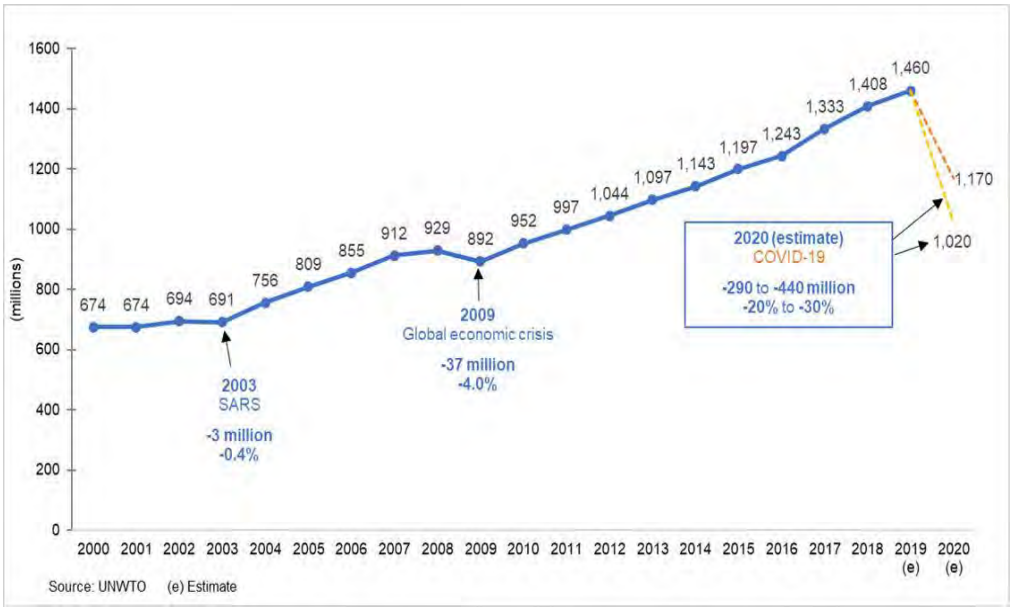
Figure 4: The impact of coronavirus on stock markets since the start of the outbreak; Bloomberg, 1 April, 2020.[16]

Economists and international ratings services, such as Fitch Ratings, are forecasting deep global recession for the 2020 Global Economic Outlook. World economic activity is forecast to decline by 1.9% in 2020 with US, Eurozone and UK GDP down by 3.3%, 4.2% and 3.9%, respectively. Forecasts do not see GDP reverting to pre-virus levels until late 2021 in the US and Europe[17] and the economic aftermath of the outbreak can last at least a year[18]

The United Nations World Tourism Organization (UNWTO) also revised its outlook on 27 March, 2020, based on the latest developments including quarantine measures; travel bans and border closures in most of Europe - which represents 50% of international tourism, and in many countries of the Americas, Africa and the Middle East; the evolutions in Asia and the Pacific; and the patterns of previous crises such as SARS in 2003 and the 2009 global economic crisis. The UNWTO estimates international tourist arrivals could decline by 20% to 30% in 2020, with losses of $300 to $$450 billion in international tourism receipts (exports). (See Figure 5)

[16] https://www.bbc.com/news/business-51706225
[17] https://www.fitchratings.com/research/sovereigns/deep-global-recession-in-2020-as-coronavirus-crisis-escalates-02-04-2020
[18] https://www.cnbc.com/2020/03/11/coronavirus-live-updates.html

Figure 5: 2020 Forecast - International Tourist Arrivals, World (Millions)[19]



The UNWTO notes that the COVID-19 outbreak "has brought our world to a standstill with unparalleled and unforeseen impact in our lives, our economies, our societies and our livelihoods and there are growing risks of a global recession and a massive loss of jobs." It warns that it is extremely challenging to estimate the impact of COVID-19 on international tourism given the magnitude, volatility, unprecedented nature and unparalleled and fast-evolving nature of crisis.[20] Table 1 below sets out some of the highlights of the global impact of the virus.

Table 1: Global Impact in Figures

Global GDP Growth Rate 2020[21]	International Tourism Growth Rate 2020[22]	US Effective Funds Interest Rate[23]	Number of Corona Cases/Deaths /Recoveries[24]	US International Flight Bookings
Forecasted growth for 2020 down to 1.5% (initial 2020 projections were 2.4%)	Decline by 20% to 30% in 2020 globally, down from a 3% to 4% growth estimate	0% - 0.25%	Cases: 1,201,591 Deaths: 64,702 Recoveries: 228,9224	Down 37% up to March 8th2020 compared to the same period in 2019.[25]

[19] https://www.unwto.org/impact-assessment-of-the-covid-19-outbreak-on-international-tourism
[20] https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-03/24-03Coronavirus.pdf
[21] Source: OECD
[22] Source: World Tourism Organisation as of 4 April, 2020
[23] Rate the Federal Reserve lends to Commercial Banks
[24] John Hopkins University: https://coronavirus.jhu.edu/ (Accessed 4 April, 2020)
[25] Source: ForwardKeys

Additionally, the shift in the trend of the virus saw rapidly rising infections in emerging and developing countries in Africa, South Asia and Latin America and the Caribbean, whose health systems are ill-equipped to cope with viral outbreaks among their populations. In response, Governments around the world have been forced to boost spending on their health services to strengthen their response to COVID-19.

The stringent measures put in place by national Governments such as national lockdowns have significantly reduced economic activity in terms of consumer spending, slowdown of production, disruption of domestic and global supply chains and massive selloffs in the financial markets, all of which are reflected in the economic forecasts referenced. The OECD and IMF forecast that the world economy will enter a recession by the end of the second quarter as COVID-19 continues to take its economic toll on many economies. The OECD notes that "the world economy is at risk".[26]

To mitigate the economic impact of the novel coronavirus, Governments have announced various monetary, fiscal and economic stimulus packages aimed at supporting laid-off and furloughed workers, small and medium-sized enterprises and large corporates. The World Bank has also announced $14 billion in loans to assist those developing and emerging countries whose economies have been negatively impacted.

[26] https://www.oecd.org/berlin/publikationen/Interim-Economic-Assessment-2-March-2020.pdf

4 BVI Impact

The BVI Government along with the majority of its Caribbean neighbours have suspended cruise and overnight tourist arrivals, closed borders, and instituted domestic curfews in an attempt to curb the spread of the virus.

Such necessary actions have immediate debilitating consequences for the entire economy and the livelihoods of persons residing in the BVI. After-effects of the pandemic on economic activity in the BVI will be felt for some time after the immediate public health threat dissipates. The Territory's main economic drivers depend on the economic and public health situation in other countries. For instance, the supply of food and other goods depends on the recovery of production, travel, shipping, trade and commerce in major financial and trade centres that are many times worse hit than the BVI. Tourism activity would depend on the state of the aviation industry and its recovery strategy, as well as the spending power of potential travellers. The ability of the cruise industry to resurrect itself and rebuild customer confidence, interest and excitement, will be an up-hill one given the now-exposed fears and risks of being confined at sea.

4.1 Tourism Sector

The immediate impact to the BVI has been the shock to the tourism sector which has had significant negative consequences for employment, business continuity, Government revenue and overall tourism related economic activity. Taxi drivers, tour operators, vendors, hotels, restaurants, chartered boats and commercial ferry operators at the front-line of the economic slowdown have been severely impacted. Major hotels in the Territory, for instance, made the decision to close and operate with a skeleton staff. As financial stresses deepen, other establishments may be forced to do the same.

4.1.1 Cruise Sector

The initial policy decision to suspend cruise ship arrivals for 30 days (for the period 14 March – 12 April) was analysed. The total direct loss in revenue to the Territory was estimated at $7.6 million consisting of a $1 million loss in Government revenue (passenger head tax to the BVI Ports Authority) and $6.6 million loss as a result of forgone tourist revenue. This is based on an estimated loss in passenger arrivals of approximately 64,108[27]. This information is summarised in Table 2 below.

Table 2: Direct Losses from 30-day Cruise ship Suspension

	Government Revenue (millions)	**Tourism Revenue (millions)**	**Total (millions)**
14 March – 12 April	$1	$6.6	$7.6

As the global spread of the virus has intensified, most cruise lines have suspended voyages which has broader implications for the rebound of the cruise sector for the remainder of the

[27] This figure relates to the estimated passengers that disembark. A 95% disembarkation rate was assumed.

2019/2020 season and the commencement of the 2020/2021 season. To assist policy makers in understanding the possible impact on direct Government revenue and tourism revenue, two (2) scenarios were considered by the Task Force. Results of these scenarios are summarised in Table 3.

If only 50% of expected cruise ships calls are made to the BVI when the season starts in October 2020, this could lead to a total revenue loss of approximately $16.5 million.

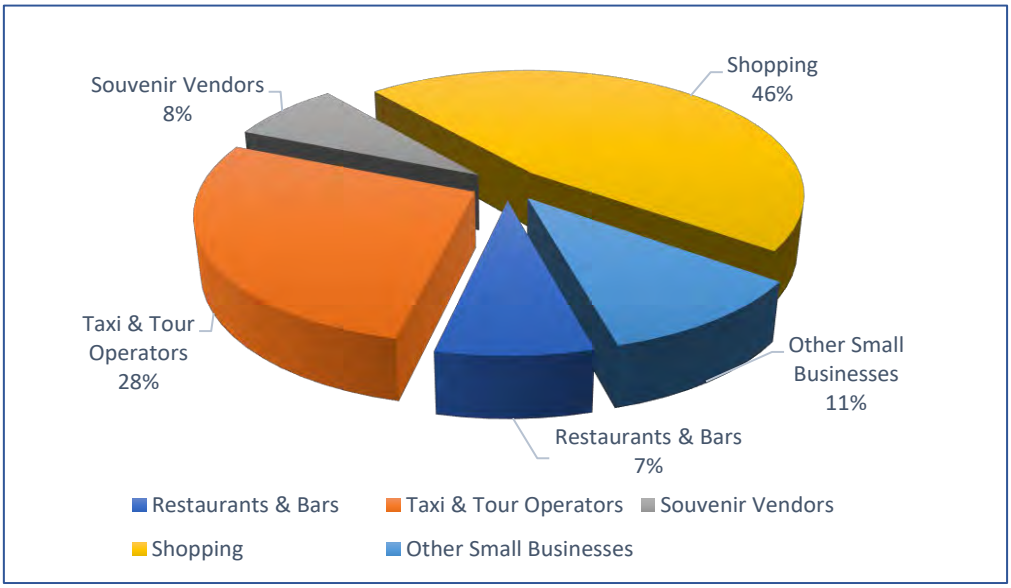
Table 3: Potential Direct Losses from Slowdown in Cruise Tourism for 2020

	Assumptions	Passenger Arrivals[28]	Government Revenue (millions)	Tourism Revenue (millions)	Total (millions)
Scenario 1	30-Day Suspension, No Calls Up to Sept. and **50%** Calls from Oct. – Dec., 2020	138,040	$2.2	$14.3	$16.5
Scenario 2	30-Day Suspension, No Calls Up to Sept. and **100%** Calls from Oct. – Dec., 2020	71,495	$1.1	$7.4	$8.5

Merchants (including those at Craft Alive and Cyril B. Romney Pier Park) and taxis and tour operators are estimated to lose the most tourism revenue as a result of the 30-day suspension of cruise ship calls, including under scenarios 1 and 2. (See Figure 6)

Figure 6:

Percentage Loss in Tourism Revenue by Business Type



[28] Ibid.

4.1.2 Overnight Sector

Overnight tourist expenditure contributes more to the BVI economy than cruise tourism. Therefore, the impact of travel restrictions and the instantaneous fall in tourist arrival numbers has the potential to be substantial.

To understand the impending economic consequences to the BVI a series of scenarios were contemplated based on no tourist arrivals for varying time periods.

The corresponding estimated losses to Government revenue and tourism revenue are presented below. The total revenue fallout from a 30-day border closure is in the region of $38 million which includes approximately $1.6 million in lost Government revenue[29] and $36.6 million in tourism revenue.

After 6-months, a potential worst-case scenario, the BVI's directs losses could escalate to $234 million almost a quarter of the Territory's Gross Domestic Product (GDP).

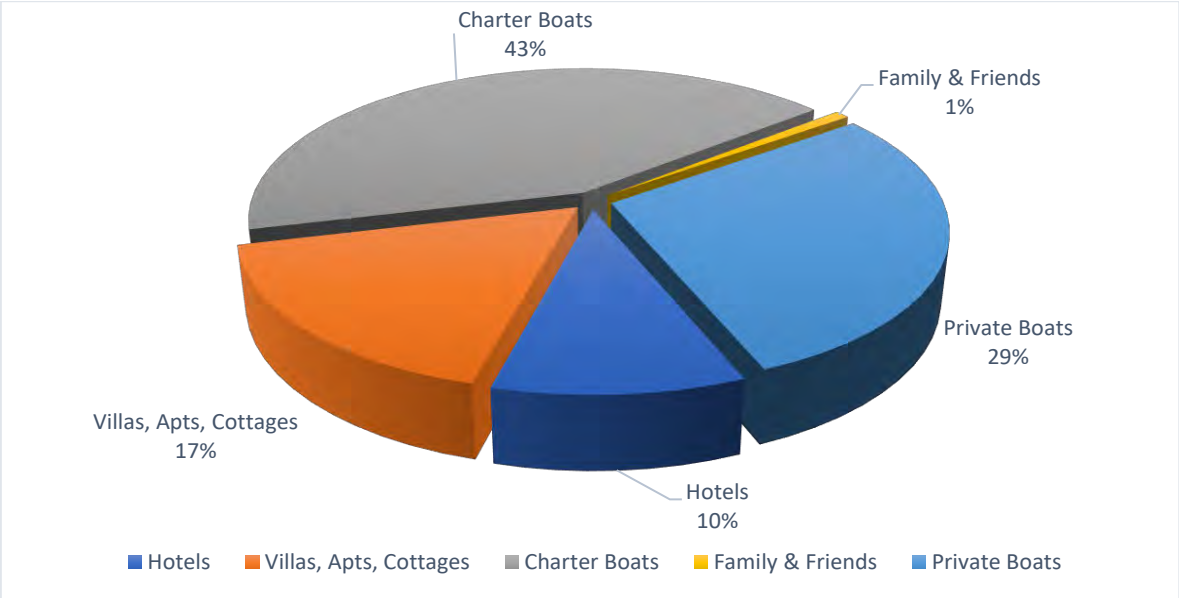
Table 4: Potential Direct Losses based on Absolute Restrictions on Overnight Tourist Arrivals from March 2020

	Assumptions	Government Revenue (millions)	Tourism Revenue (millions)	Total (millions)
Scenario 1	No overnight tourists for 30 days	$1.6	$36.6	$38.2
Scenario 2	No overnight tourists for 60 days	$3.3	$74.8	$78.1
Scenario 3	No overnight tourists for 6 months	$9.8	$224.3	$234.1

Accommodation followed by restaurants and bars will be the most heavily impacted businesses. Expectedly, the charter boat sub-sector stands to lose the most revenue in comparison to the other types of accommodation options in the BVI. Estimates indicate that approximately 43% of total losses under either of the scenarios will be borne by the yachting sector. (See Figure 7)

[29] Includes mainly hotel accommodation tax, environmental levy and national parks fees.

Figure 7: Percentage Loss in Tourism Revenue by Accommodation Type



4.2 Mandatory Curfew Impact

An initial mandatory curfew for all residents was put in place by Cabinet from 27 March to 2 April. The closure of all businesses and restricted movement of persons has implications for commerce within the Territory.

Preliminary estimates for the 5 working day period indicate that possible revenue losses to the business community are in the region of $16 million while potential loss in wages could amount to almost $4 million.

Central Government stands to lose revenue in the form of forgone payroll taxes of approximately $0.25 million, while the estimated decline in Social Security and National Health Insurance contributions resulting from lost wages is in the region of $0.5 million.

An analysis was done with respect to an extension of the Government imposed curfew, with slightly less restrictive conditions, until 16 April, 2020. This is presented in Table 5.

Business revenue losses could reach $53 million compounded by forgone wages in the region of $13 million.

It is important to note that the losses for the 10 working days was based on the initial Cabinet decision of a complete lock down therefore in reality the impact might be slightly less. It is important to note that the losses for the 6 working days was based on the initial Cabinet decision of a complete lock down, while 12 working days is based on a less restrictive lockdown.

Government has since implemented a 14-day rigid, 24-hour curfew lockdown from 5 April to 18 April, with the possibility of extension still open.

Table 5: Potential Losses as a result of Mandatory Curfew

	5 Working Days ($M)	12 Working Days ($M)	17 working Days ($M)
Business Revenue Loss	15.5	37.6	53.1
Loss Wages	3.9	9.4	13.3
Payroll Tax	0.2	0.6	0.8
SSB and NHI Contributions	0.5	1.3	1.8

4.3 Fiscal Impacts

Government revenue in 2020 will be adversely affected by a general slow-down in economic activity in the Territory, and additional stresses on the financial services industry as a result of the retrenchment in global financial transactions and commerce. Since the crisis is anticipated to eventually affect all sectors of the economy most major revenue areas are expected to decline.

Preliminary revised projections indicate an approximate 23%[30] decline in Government collections for 2020 driven by a fall in financial services revenue by a similar percentage and reduction in other major revenue items such as import duties and payroll tax.

This will have implications for funding of the Government's recurrent expenditure and its capital investment programme going forward.

Figure 8 compares 2020 revenue projections taking into consideration the potential impact of COVID-19.

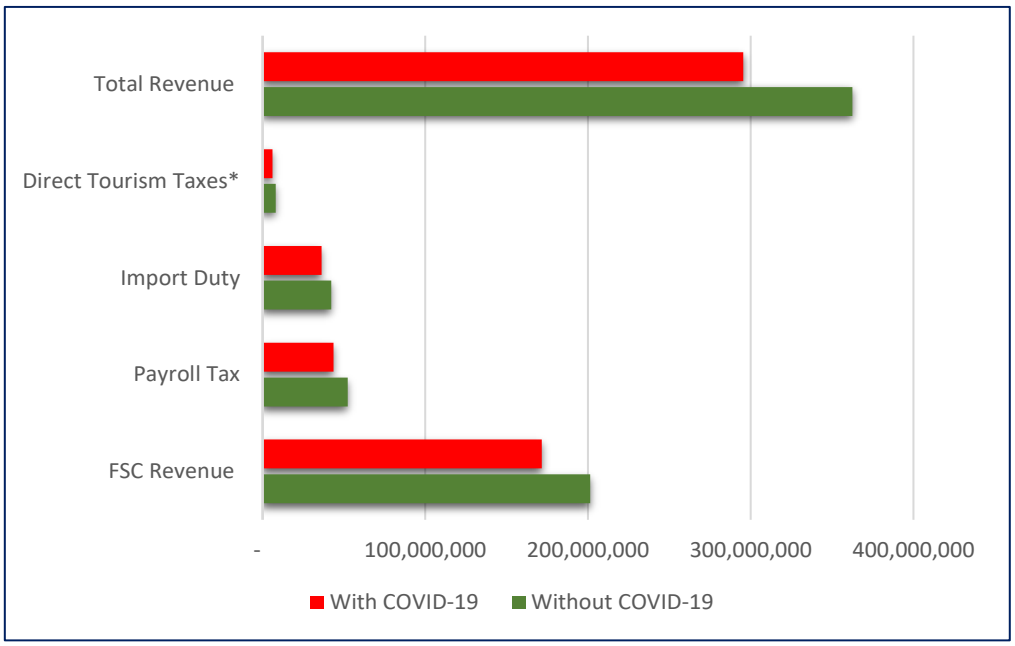
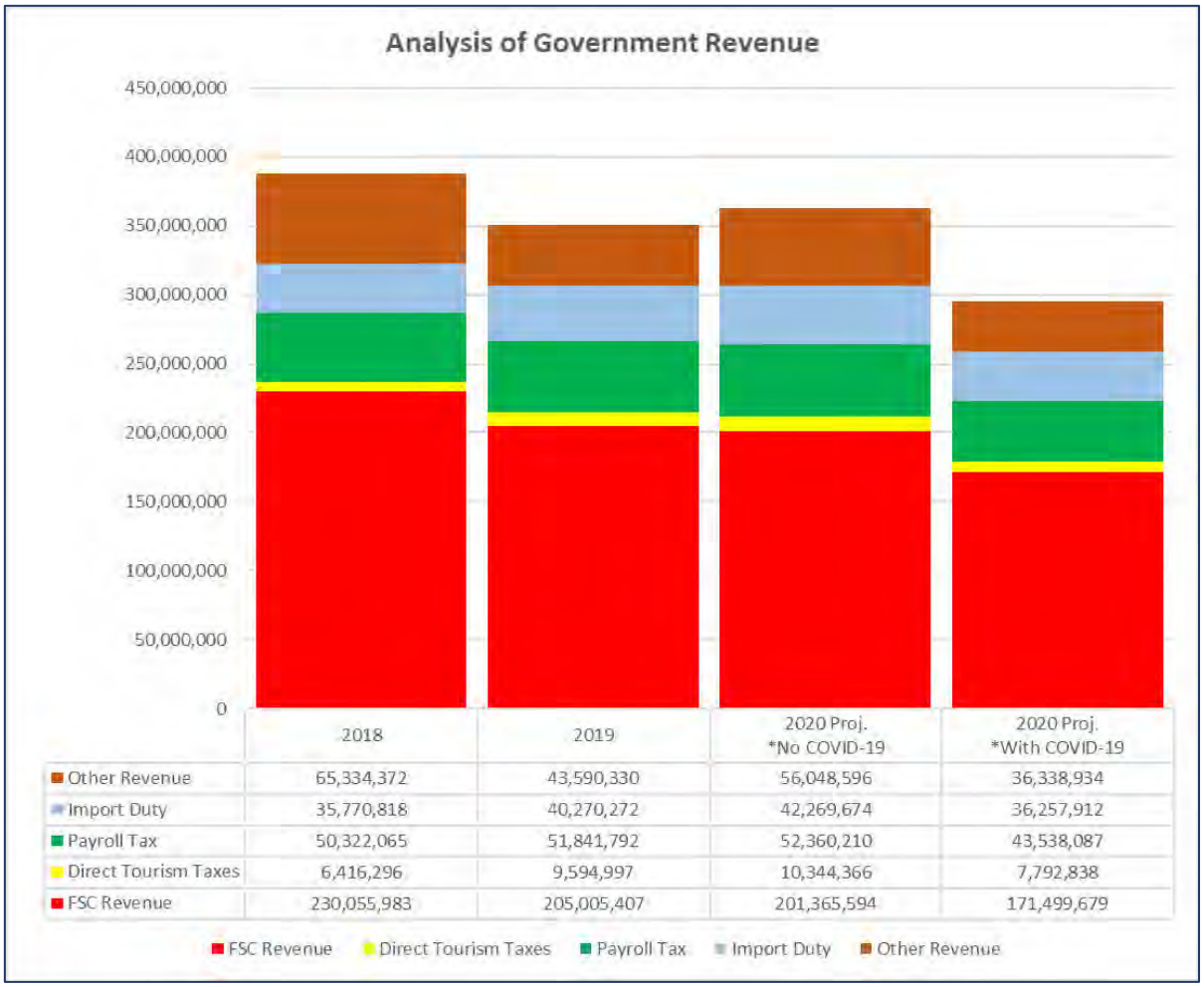


Figure 8: 2020 Revenue Projection Comparisons

*Hotel Accommodation Tax, Cruising Permits, Motor Vehicle Tax and Fishing Licenses

[30] Revenue projections for 2020 will be revised monthly once actual revenue data is analysed every month.

A more detailed examination shows how the protraction of the COVID-19 pandemic can exacerbate the decline in critical sources of revenue by a cumulative 18.5%. (See Figure 9)



	2018	2019	2020 Proj. *No COVID-19	2020 Proj. *With COVID-19
Other Revenue	65,334,372	43,590,330	56,048,596	36,338,934
Import Duty	35,770,818	40,270,272	42,269,674	36,257,912
Payroll Tax	50,322,065	51,841,792	52,360,210	43,538,087
Direct Tourism Taxes	6,416,296	9,594,997	10,344,366	7,792,838
FSC Revenue	230,055,983	205,005,407	201,365,594	171,499,679

Figure 9: Comparison of Government Revenue from key sectors vs projections

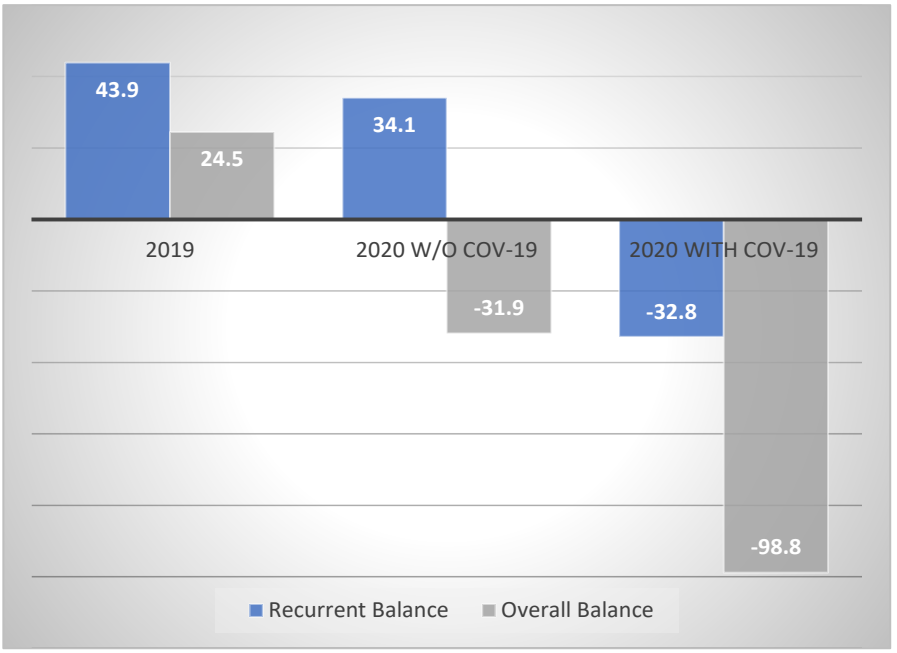
Further pressures will be placed on the Government's fiscal position in 2020 as it implements various relief policies to help shield households and businesses from the fallout from the COVID-19 crisis as well as when other measures are instituted to stimulate economic activity.

The value of these other measures (including tax expenditures) have not yet been accounted for in the revised revenue figures.

At existing recurrent expenditure levels, the expected recurrent deficit will be in the region of $32 million. This will affect the Government's ability to continue the provision of public services at the level that is expected by the residents of the Territory. It will also limit available local resources to fund Government's capital investment programme. The overall fiscal deficit could reach $100 million where no adjustments are made to the Government's expenditure programme.

Figure 10 compares 2019 fiscal balance figures with 2020 including impacts of COVID-19.

Figure 10: Deficit/Surplus Estimates 2019 and 2020 ($M)



In light of the above, Government would need to re-evaluate its recurrent and capital expenditure allocations with a view to identifying areas for savings and re-prioritization to meet the funding requirements for immediate relief, economic stimulation and reducing the fiscal deficit.

4.4 Other Economic Impacts

Undoubtedly, workers in the tourism industry will be most immediately affected from this crisis as businesses downsize to consolidate costs. Small businesses and the self-employed who have less of a buffer to protect against such downturns will be the most vulnerable.

Preliminary information from the Labour Department and the Tourist Board indicated that businesses in the tourism related areas have begun laying off employees. Lay-offs are also occurring across small businesses in other sectors as the impacts of reduced and in some cases no economic activity.

Additional analysis is being conducted to quantify the prospective effect on the level of employment in the BVI as more data is collected.

The BVI's economy was on a growth path following recovery efforts after Hurricanes Irma and Maria. This sudden global downturn will most definitely affect GDP estimates for 2020 and beyond. Revised GDP projections for 2020 will be calculated once the length and depth of the global slowdown is clearer and impact of the crisis on other sectors in the BVI is determined.

5 Immediate Relief Package[31]

The Government's immediate policy response must be swift and targeted with the goals to:

1. Provide immediate financial relief and support to laid-off workers, employees who may be required to work reduced hours and businesses that are directly impacted by the coronavirus; and

2. Provide additional funding to the health sector as required if the spread of the virus intensifies.

The value of this package to date is approximately **$39.3 million** funded using a combination of sources highlighted in Table 6 below.

Table 6: Source of Funding for Immediate Relief Package

Source of Funding	$ Million
Reserve Fund	27.6
Contingency Fund	2.9
Consolidated Fund	3.6
Statutory Bodies and Public Corporations	5.2
TOTAL	**39.3**

A proactive and staged approach to implementation of policy initiatives is recommended given the uncertainty associated with the extent and duration of the virus, depth of the economic impact and the limited financial resources available to the BVI Government. Commencing rollout of the immediate financial relief and support policy initiatives is therefore strongly recommended.

Continuous monitoring of impacts, regular engagement with the private sector, and reassessment of policies will be required to understand the evolving needs of the affected as the crisis and its impacts continue to unfold. This will assist Government in determining the timing and extent of further policy interventions.

Table 7 presents the recommended policy actions that the Government could undertake immediately to achieve goals 1 and 2 stated above.

[31] The compilation of policy initiatives is based on the results from tourism economic impact assessment presented in the Policy Brief, feedback from the industry and research on policy responses from other countries.

Table 7: Immediate Relief Policy Initiatives

Policy Description	Cost/Value	Funding Source
Suspension of payroll tax payments Suspension of social security payments Suspension of National Health Insurance (NHI) payments - Both employee and employer contributions for a period of 3 months initially for affected businesses. - This could be conditional on a Labour Retention Policy agreed between the Government and the business establishment. - Recipient businesses: hotels, charter boat, tour and taxi operators, vendors, restaurants, ferry operators but could be expanded to other businesses that have been indirectly impacted by the crisis.	$1.64M $0.95M[32] $0.84M[33]	Consolidated Fund Social Security Board NHI
Moratorium on rental payments for businesses located at Craft's Alive and the Cyril B. Romney Tortola Pier Park for an initial period of 6 months.	$1.29M[34]	Tortola Pier Park
No electricity disconnections for 3 months for customers that may be in payment default from March 2020 as a result of income being impacted. - Businesses and persons not directly impacted by the crisis will be required to keep bill payments up to date. - After 3-month period businesses and persons could negotiate an 'Arrears Payment Plan' with the BVI Electricity Corporation. - Intended recipients: small businesses and persons experiencing loss of income as a result of the crisis.	$0.71M for businesses $0.91M for households[35]	BVI Electricity Corporation

[32] The exact policy prescription should be discussed and finalised with the Social Security Board prior to implementation.

[33] Government must be cognisant of lost contributions to NHI as a result of this policy initiative and may be required to cover these costs through an increased subvention or special grant. Otherwise the NHI might have difficulty meeting its financial obligations to public and private health care providers.

[34] The preliminary estimate is only based on loss rental income for Cyril B. Romney Tortola Pier Park.

[35] This assumes that 25% of households would fall within this policy category within the 3 months.

Policy Description	Cost/Value	Funding Source
Moratorium on loan and credit card payments for up to 6 months (3 months initially) on a case by case basis.	Not Available[36]	Individual Banks
Income Support Programme in the form of 3 monthly payments to qualified persons/households up to $1,300.[37] - Intended Recipients: most vulnerable within the tourism sector such as employees and self-employed persons who as a result of loss of income are unable to afford necessities such as food, water, medication, utility payments etc.	$8M	Government Reserves[38]
Increase funding to existing Public Assistance Programme to aid households that are vulnerable but may not eligible for direct income loss support[39].	$2M	Reserve Fund
SME Subsidy Programme for businesses and self-employed persons impacted by reduced business activity. - This could be in the form of a direct wage subsidy to SME's to cover up to 67% of workers' salaries for a period of 3 months. - This could be conditional on a Labour Retention Policy agreed between the Government and the business establishment.	$9M	Reserve Fund
Additional resources to support the health sector in the response to COVID-19. This includes purchases of medical supplies.	$8.6M $2.9M	Reserve Fund Contingency Fund
Free water access provided by Water and Sewerage Department for 30 days.	$0.5M	Consolidated Fund
Assistance to Agriculture and Fisheries sector (economic stimulus for Covid -19 crisis).	$2M	Consolidated Fund
Place price regulations on goods that are pertinent to reducing the spread of COVID-19 such as hand sanitizer, symptom fighting medication, disinfectant	Not Applicable	Not Applicable

[36] The cost of this initiative will be determined by each bank independently.

[37] The details of this programme are being considered by the Ministry of Health and Social Development. It could be a hybrid of the Household Assistance Programme that was implemented shortly after Hurricane Irma in 2017.

[38] The programme costs approximately $11M in the first instance. Additional funding mechanism will need to be considered.

[39] The Ministry of Health and Social Development is considering this initiative.

Policy Description	Cost/Value	Funding Source
etc. as well as good sold in industries that receive direct assistance from the Government.		
Accelerated Government payments to creditors by reducing payment processing time within Government.	Not Applicable	Not Applicable

6 Economic Stimulus Policy Initiatives

Since the effects of this crisis are showing signs of impacting other sectors and possibly lasting into the beginning of the 2020/2021 tourist season and perhaps even longer, the Government must also be equipped to:

1. Provide additional assistance to help bridge the financial gap that businesses and employees might face before the economy begins to show signs of rebounding;

2. Provide direct stimulus to important sectors of the economy if the impacts are protracted; and

3. Provide additional funding to statutory bodies and public corporations that may be indirectly impacted by the crisis.

Table 8 includes additional policy actions that could be considered. These will however require further refinement and discourse.

Table 8: Economic Stimulus Policy Initiatives

Policy Description	**Cost/Value**	**Possible Funding Source**
Short-term credit facility to SMEs to boost business activity and protect business continuity if crisis is expected to extend into 2020/2021 tourist season. Credit facility for small and medium-sized businesses within the tourism sector and other sectors as determined to assist in bridging period of reduced business. These could be in the form of interest free loans (nominal administrative fee only could be charged) and/or grants.	TBD	Social Security Board Caribbean Development Bank World Bank
Redirect tourism promotion and advertising allocations towards human capital development and tourism product development. Training programmes for building people skills for workers in bars, restaurants, taxi drivers etc. can be offered through HLSCC and participants can be paid a stipend.	TBD	BVITB
Development of an Unemployment Benefit Scheme with initial upfront funding.	TBD	Government
Accelerated social security benefit payments. That is payment of a percentage of benefits for eligible contributors to supplement loss income now with increased contributions made in the future so that	TBD	Social Security Board

Policy Description	Cost/Value	Possible Funding Source
employees would not be made worse off at the time of retirement if possible.		
'Special' capital investment programme which will focus on projects that would provide the maximum economic benefit and where possible provide employment for persons displaced from the tourism industry. - This could involve a review of the current capital investment programme in the 2020 budget that is financed through 'local funding' to identify priority projects or re-purpose funds for projects that have a greater and broader impact. - Criteria should be developed for choosing such projects.	TBD	Development Fund Social Security Board Caribbean Development Bank
Launch a special programme with incentives to boost foreign direct investment in the Territory. There can be a particular focus on tourism infrastructure development.	TBD	
Additional resources to NHI, Ports Authority, BVIEC and BVI Airport Authority as may be required as a result of any indirect impacts of necessary policy decisions and financial shocks ensuing from the coronavirus crisis.	TBD	Reserve Fund
Technical support by way of virtual seminars to SMEs that will be impacted by anticipated economic fallout. Areas of focus include: business continuity planning, business repositioning, business impact assessment, cash flow management and loan negotiation processes.		
Provide incentives to drive investment and activities in food production inclusive of agriculture and fisheries, as well as processing. These can include tax breaks for import of equipment.		
Develop and implement a programme of activities to stimulate construction activities with a view to generating employment and boosting productivity.		
Develop a programme to provide long term very low interest loans funded from the Consolidated Fund but managed by National Bank for infant industries and niche industries within main industries, especially in the areas of technology, manufacturing of products from local ingredients such as condiments, lotions, soaps, etc. and the support and establishment of recycling businesses		

7 Funding

Developed economies have access to significant financial resources and other policy mechanisms to buttress their economies in the immediate term and to help quell panic and restore market and consumer confidence.

Unfortunately, Governments in smaller island states like the BVI will struggle to come up with the necessary capital to deal with the massive fallout to the tourism industry, in particular, reduced Government revenue, rising costs of supporting the health sector, and providing financial relief to those in need. This will be exacerbated the longer the outbreak lasts and the longer it takes for consumer confidence to return.

Consequently, initial funding for the Immediate Relief Package will mainly come from the Reserve Fund (approximately 71%). But as the crisis continues and the number of impacted businesses and households widens other sources of funding to continue relief efforts and further stimulate economic activity will need to be actively considered – inclusive of petitioning the UK Government for grant funding.

Historically, the BVI has not been eligible for grants offered through development agencies such as the International Monetary Fund (IMF) and the World Bank[40] therefore the Government should actively consider other funding sources from the onset.

Several conditions in the Protocols for Effective Financial Management, signed and entered into on 23 April, 2012, inhibit the BVI Government's ability to draw down funds from the Reserve Fund to assist in ensuring that public services continue as Government revenue is reduced. They also obstruct the BVI Government from raising loan funding and expeditiously implementing projects that are critical to the economic stimulation programme.

Some of the sections of the Protocols that constrain the BVI Government with respect to drawing down from the Reserve Fund, timeframes for implementation of projects involving major expenditure, and accessing loan funding, are listed below:

- **Section 20**

  "To ensure that the level of debt is affordable and consistent with the delivery of macroeconomic and fiscal sustainability and financial stability in the short, medium and long term as outlined in the MTFP, the Government of the Virgin Islands will comply with the borrowing limits defined in Annex B no later than the date specified in paragraph 2 of Annex D;"

- **Section 25**

  "The Government of the Virgin Islands will not proceed with any capital project on which the Secretary of State has made representations until fifteen (15) working days after a full written response has been received by the Secretary of State to those representations."

[40] The BVI may be able to access concessional financing at either zero or very low interest rates.

- **Section 27**

  "In the event of any substantive non-compliance by the Government of the Virgin Islands in the respect of the Protocols and until the breach has been rectified, the Government of the Virgin Islands will obtain, on an annual basis, written approval from the Secretary of State before:

  a) *the MTFP is finalised; or*
  b) *any new public borrowing is undertaken;*
  c) *proceeding with any new project with a lifetime value of more than five (5%) of forecast recurrent revenue;*
  d) *using public assets as collateral as part of any new arrangement with a party external to Government of the Virgin Islands;*
  e) *the hypothecation of any revenue stream; or*
  f) *the divestment of public assets."*

- **Section 28**

  "For the avoidance of doubt, a breach of the borrowing limits in Annex B will constitute a breach of this protocol agreement."

With Central Government's limited access to liquid cash – (the only unallocated sources of funding are in the Reserve and Contingency Funds) – any meaningful attempt to implement even the immediate response measures will cause the BVI to run afoul of the Liquid Assets Ratio in the Protocols and be held in breach of the said Protocols.

In the absence of substantial grant support from the UK Government to meet the immediate, medium-term and long-term response and economic stimulus programmes, which become necessary as a result of catastrophic events such as the COVID-19 Pandemic, the repeal of Section 20 and the review of Sections 25, 27 and 28, of the Protocols for Effective Financial Management, which constrain the BVI Government's ability to access and generate funding, is imperative.

Discussions between the BVI and UK Governments on this subject are paramount in the event that the BVI Government may have to increase its debt exposure to support its budget, stimulate economic and business activity and provide further relief to the people of the Territory through more expansive social assistance interventions. Depending on the extent of borrowing and drawdown from the Reserve Fund required, this will have implications for the Government's ability to stay within the net debt and debt service requirements of the Protocols.

The BVI will continue to work with regional development partners such as the Pan American Health Organisation (PAHO), CARICOM, Caribbean Development Bank (CDB), United Nations Development Programme (UNDP) etc. to assist in the Government's response where applicable. However, as the crisis progresses, and the extent of its impact is unveiled in the coming months a case for direct financial assistance from the UK Government may need to be considered.

The Government may also consider the following options[41] for financing its immediate relief and economic stimulus packages and increasing funding as necessary for the health services sector:

1. Budget savings identified following a review of the 2020 budget expenditure (recurrent and capital). Isolate areas of non-essential spending and potential savings that can be repurposed to support critical areas that will have the greatest economic impact. In the first instance, the areas of non-essential spending to be repurposed should include Entertainment and Travel expenses. An initial minimum target of 10% of the total allocations should be aimed for in the first instance;

2. Savings from the decrease in interest payments charged on a floating rate basis, and potential renegotiation of loan terms on major government disbursed outstanding debt. Initial estimates indicate that a potential savings of $1.56 million could be realised as a result of a reduction in interest rates on domestic and external debt;

3. Additional revenue from any revenue generating initiatives[42];

4. Social Security concessional loan;

5. Concessionary loans from development banks including Caribbean Development Bank (CDB); and

6. Assistance from local, regional and international NGOs and donors.

[41] These options will need careful analysis and consideration and the impact on fiscal balances would need to be assessed and continuously monitored.
[42] The Task Force discussed potential revenue initiative focused on raising very low administrative fees charged by Government.

9 Conclusion – Next Steps

The Government's response to the crisis will be constantly reviewed and adapted as the crisis is prolonged and its impacts intensify. The Task Force has presented an Immediate Relief Package that can be rolled out quickly once the necessary administrative arrangements are put in place. The Task Force will continue to monitor the evolving situation closely and provide additional policy advice to the Premier.

Critical next steps include:

1. Development of implementation structures for the policy package including criteria for determining eligible recipients and payment disbursement platforms;

2. Completion of macro impact assessment on economic fundamentals such as employment, GDP and inflation as well as possible longer-term impacts on the economy;

3. Conducting a social impact assessment;

4. Monitoring at regular intervals of the impact on the business sector through the Small and Medium Size Business Impact Questionnaire. This will gather important data on how the crisis is impacting businesses and their ability to respond;

5. Continuation of costing of economic stimulus policy initiatives;

6. Budget review for recurrent savings and capital project prioritisation to guide immediate relief and economic stimulus. A specialist committee should be set up to provide assistance to the Financial Secretary and his team in this exercise;

7. Engaging the UK Government in discussions for financial support to meet relief requirements, the repeal of Section 20 and review of Sections 25, 27 and 28 of the Protocols for Effective Financial Management, which impede the BVI Government's ability to fund the response and recovery programmes for catastrophic events from the Reserve Funds and loans, and adopting certain expenditure to reduce the burden on BVI taxpayers;

8. Identification of areas that Government can direct investment to create jobs while contributing to productivity. This would include, but not be limited to, construction, food, fishing and agriculture. It would also examine fiscal incentives to drive these initiatives; and

9. Develop programme to provide interest free loans funded from the Consolidated Fund but managed by National Bank for infant industries and niche industries within main industries, especially in the areas of technology, manufacturing of products from local ingredients such as condiments, lotions, soaps, etc.

10. HLSCC to develop training programmes geared towards building people skills for displaced tourism workers, e.g. servers in bars, restaurants, taxi drivers.

11. Negotiation with lending agencies for a deferral of principal and interest payments to aid in cash flow.

EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
12th April, 2020

Policy Response to COVID-19
Memo No. 117/2020

Further to the decision made by the Cabinet at the Special meeting on 12th April, 2020, below is the amended decision taken by the Cabinet in respect of the captioned matter:

Cabinet is invited to:

a. approve the Policy Paper: BVI Government's Policy Response to the Coronavirus Crisis (**see Appendix A**), which will serve as the interim framework to guide the Government's social, economic and fiscal response to the immediate and short-term needs of the Territory;

b. decide that the Financial Secretary instruct applicable Ministries, Statutory Bodies and Public Corporations to implement the Immediate Relief Package, and for each to submit a bi-monthly report to the Minister of Finance for the information of the Cabinet;

c. decide that the Financial Secretary, in collaboration with the applicable Ministries, Statutory Bodies and Public Corporations will develop a Phase Two economic and social response programme guided by the Economic Stimulus component of the Policy Paper, which programmes are to be submitted to the Minister of Finance within 30 days for presentation to the Cabinet;

d. agree to instruct the Financial Secretary to lead technical discussions with the UK Government's Financial Technical Team in petitioning the Secretary of State to relieve the Government of its obligation under Section 20 of the Protocols for Effective Financial Management and the review and

amendment of Sections 25, 27 and 28, to enable the BVI Government to secure the funding necessary to respond to catastrophic events such as the COVID-19 pandemic, in light of:

1. the real impacts and forecasted economic outlook for the BVI due to the catastrophic COVID-19 pandemic;

2. the unavailability of grant funding from the UK Government, and

3. the impediment the conditions of the Protocols for Effective Financial Management pose to the BVI Government being able to finance the immediate relief and economic stimulation programmes on its own;

e. approve that all final decisions to be taken in the negotiations with respect to the decision item (d) shall be approved by the Cabinet of the Virgin Islands, prior;

f. approve that the Financial Secretary furnish the Cabinet with bi-monthly reports on the actions taken with respect to decision item (d);

g. decide that an expedited extract be issued to allow the decisions of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.
Ms. Sandra Ward
12th April, 2020

PRE-REPORT TO THE MINISTER OF FINANCE HONOURABLE ANDREW A. FAHIE

UPDATE ON THE IMPACT OF THE CORONAVIRUS ON THE BVI ECONOMY & FOLLOW-UP ON THE RECOMMENDATIONS OF THE COVID-19 POLICY RESPONSE PAPER SUBMITTED BY CHAIRMAN OF THE CORONAVIRUS ECONOMIC AND FISCAL STABILITY TASK FORCE FINANCIAL SECRETARY MR. GLENROY FORBES

30TH APRIL 2020

I. Introduction

This Pre-Report to the Minister of Finance Hon. Andrew A. Fahie presents in brief an update and further analysis of the impact of COVID-19 on the economy of the British Virgin Islands (BVI) for the period 13th March to 19th April 2020; as well as the steps taken to begin implementation of the recommendations of the COVID-19 Policy Response Paper prepared by the Coronavirus Economic and Fiscal Stability Task Force (Task Force) and approved by Cabinet on 12th April 2020. These are set out below.

II. COVID-19 Impact on GDP

The COVID-19 global pandemic continues to place added pressure on the BVI economy. Prior to the coronavirus outbreak, the economy was expected to realise GDP growth of an estimated of 2.6% above 2019 levels in 2020, or an estimated $1.33 billion at current market prices. Preliminary projections of the effect of COVID-19 on GDP focused on the direct and indirect impacts on tourism and financial services as the main pillars of the economy. Three scenarios were analysed which looked at the economic impact of COVID-19 over a 3 month period (base case), six month period (mid case) and 9 month period (worst case). Early examination of the data indicates a potential GDP loss in 2020, at current market prices, of: 13.4% (approximately $207.58 million) if the impacts are experienced over a 3 month period; 30.8% (approximately $433.79 million) if impacts are experienced over a 6 month period; and 52.8% (approximately $707.21 million) if impacts are experienced over a 9 month period. Given the disproportionate contribution of financial services and tourism to GDP, which together account for about 60% of total GDP, any extensive impacts on these pillars will be felt throughout the wider economy. The projections above should be considered in the context of the continuing global spread of the coronavirus and uncertainty surrounding its containment.

III. COVID-19 Impact on Business and Effects on Employment

The Task Force followed up on the recommendations of the COVID-19 Policy Response Paper regarding the impact of the coronavirus on businesses and its effect on employment. Below are the preliminary findings of the Task Force's analysis.

Preliminary Findings from COVID-19 Business Impact Questionnaire

The Task Force/Government conducted a survey between 9th April and 19th April 2020 to gauge the impact of COVID-19 on businesses and their activity in the economy. In summary, the survey found that business and economic activity has declined in the BVI following the spread of COVID-19 worldwide. The drop in tourist arrivals and the various internal measures implemented to curb the spread of COVID-19 (including

border closures, curfews and the cancelation of major tourism and sporting events) have further contributed to a weakening of the economy. The key preliminary findings are as follows:

- 97% of businesses indicated that they have been somewhat impacted by COVID-19.
- Most layoffs are reported in the tourism sector (e.g hotels and charter boats) particularly restaurants. Other sectors reporting layoffs include: transportation (e.g, taxis and ferries); wholesale and retail (mainly small businesses); and to a lesser extent construction.
- Employment in the real estate and financial/professional services sectors were least impacted.
- Major losses in business activity and revenue was experienced in the tourism sector. 72% of respondents indicated loss in business activity in the range of 81% - 100%.
- Majority of businesses reported monthly revenue losses of less than $50K with the expectation that such reductions in revenue could extend out to 12 months.
- Except for the Financial and Professional Services businesses (the least impacted), the other sectors indicated that they would need some sort of assistance from the Government. Examples included working capital, deferred Government taxes and fees, deferred lease and mortgage payments, and salary and wage assistance.

Appendix 1 includes four charts. Chart 1 shows the breakdown of respondents by sector (Chart 1: Respondents by Sector). The other charts capture COVID-19's impact on business and knock-on effects on employment (Chart 2: Percentage Layoffs by Business Activity, Chart 3: Percentage Reduction in Business Activity by Sector, Chart 4: Revenue Loss in Tourism Sector).

IV. Framework for Implementation of Immediate Relief Package

Following Cabinet's adoption of the COVID-19 Policy Response Paper, the Task Force created a framework to guide the implementation of the Immediate Relief Package described in the paper, to be coordinated by the Financial Secretary, per a decision of Cabinet on 12th April 2020. Under the implementation framework, the Financial Secretary created the Immediate Relief Implementation Committee (IRIC) within the Ministry of Finance to serve as the policy coordination mechanism for the rolling out of the Immediate Relief Package by the relevant Ministries, Departments and Statutory Bodies to which the package applies. The IRIC has begun coordination of the implementation process and will continue this work over the course of the next 10 days. The foreseen activities include the following:

(a) Development of a Cabinet paper with all policies for the approval of the implementation mechanisms to roll-out the policies to the public.
(b) Drafting amendments to legislation as required.
(c) Finalisation of the features of the implementation of policies with the relevant agencies.
(d) Sensitisation of the public on policy implementation by the relevant agencies, supported by the Director of Communications and her team.
(e) Preparation of a report for the Financial Secretary to update Cabinet on the 11th May 2020 about the Implementation of the Immediate Relief Package.

Appendix 2 summarises work already completed by the IRIC as of 30th April 2020.

V. Scoping of Economic Stimulus Package

Per the recommendations of the COVID-19 Policy Response Paper, the Task Force has considered the parameters of the Economic Stimulus Package to be developed in the second phase of the Government's economic, fiscal and social response as indicated in the paper. These are described below.

(a) Short-term credit facility to SMEs to boost business activity and protect business continuity if crisis is expected to extend into 2020/2021 tourist season.

The funding for this programme is envisaged to be in the form of a soft-rate loan guaranteed by Government with possible seed investment from the Social Security Board (SSB), commercial banks and the private sector. It is recommended that the administration of this programme be done by one of the Commercial Banks, as opposed to the National Bank of the Virgin Islands. Ministry of Finance has commenced work on researching the logistics of implementation of this policy and will continue to engage the named stakeholders in discussions towards implementation.

(b) Development of training programmes geared towards building service skills for displaced tourism industry workers through HLSCC.

It is recommended that hospitality training and re-training for upscale tourism be components of the programme. The Hospitality and Culinary Institute at the HLSCC has already began developing such a programme. Discussions will commence with HLSCC so that the specifics of the programme can be included.

(c) Additional resources to NHI, Ports Authority, BVIEC and BVI Airport Authority as may be required as a result of any indirect impacts of necessary policy decisions and financial shocks ensuing from the coronavirus crisis.

The policy has been integrated in the work of the Ministry of Finance which would be steered by the Immediate Relief Implementation Committee within the Ministry of Finance.

(d) Accelerate social security benefit payments. That is, payment of a percentage of benefits for eligible contributors to supplement lost income now.

A meeting is planned next week between the Ministry of Finance and the SSB to discuss this policy action further with the SSB. It is expected that after the meeting, SSB would prepare a report which presents an analysis of the policy action and any implications of implementation.

(e) Development of an Unemployment Benefit Scheme with initial upfront funding.

A study on the development of an Unemployment Benefit Scheme and/or unemployment solutions for the BVI is required. This should commence soon with possible technical assistance from the EU/ILO. This policy action is a longer-term initiative and would form part of the Third Phase of Government's Economic, Fiscal and Social Response to COVID-19.

(f) 'Special' capital investment programme which will focus on projects that would stimulate economic activity and generate employment within the economy.

This programme can be closely linked to the special programme on foreign direct investment in stimulus measure (g) below.

(g) Launch a 'special' programme with incentives to attract foreign direct investment in the Territory. There can be a particular focus on tourism infrastructure development.

COVID-19 has resulted in a shift in the BVI's development path. Development of a 5-year COVID-19 Recovery Plan should be considered with possible assistance from a development partner. Short-term borrowing should be sourced to fund the projects and programmes that make up the Plan in its initial stages. Policy actions (f) and (g) would be components of such a plan. A 5-year COVID-19 Recovery Plan would form part of the Third Phase of Government's Economic, Fiscal and Social Response to COVID-19.

(h) Technical support by way of virtual seminars to SMEs that will be impacted by anticipated economic fallout.

This support can be provided through technical assistance and funding from international organisations, such as UNDP, ILO, and the EU. These discussions have already commenced. The UNDP has shown interest in collaborating on developing content that could be shared on a knowledge hub. Discussions continue and the BVI Chamber of Commerce and Hotel Association is seen as a local partner.

(i) Provide incentives to drive investment in agrobusiness to support food production in agriculture and fisheries.

This support can be provided through technical assistance and funding from international organisations, such as UNDP, ILO, FAO and the EU. Engagement has already commenced with these agencies. Discussions will continue to further define exact technical assistance needs.

(j) Develop a programme to provide long-term loans with very favourable terms funded from the Consolidated Fund to support the development of niche and emerging industries, especially in the areas of technology, recycling and light manufacturing of products from local inputs.

Further research can be done to ascertain whether major international agencies, such as the EU, UNDP, IDB, EIB, etc. would be willing to support these ventures. This policy response should form part of the Third Phase of Government's Economic, Fiscal and Social Response to COVID-19.

VI. Proposal for a Third Phase of Government's Economic, Fiscal and Social Response to COVID-19

The Task Force has considered the recommendation in the COVID-19 Policy Response Paper for an unemployment scheme to provide displaced employees with some measure of financial security in the event of layoffs and to establish a modern system by which to record and track employment and unemployment across the entire economy. The scope of work presented by this recommendation requires special policy attention and technical assistance that is beyond the capacity of the Task Force to provide, particularly given other areas of work on the COVID-19 agenda that require immediate attention. The Task Force proposes a Third Phase of the Government's Economic, Fiscal and Social Response to COVID-19 that would focus on the development of an unemployment scheme or solution of some type. In addition, the Task Force recommends that the development of a 5-year COVID-19 Recovery Plan and a Government funded programme for long-term loans to businesses and entrepreneurs aimed at niche and emerging industries, are also be included in the work of the Third Phase.

VII. Next Steps

The Task Force will complete a full report on the impact of COVID-19 on the economy for submission on 11th May 2020 to accompany reports by the Financial Secretary/Ministry of Finance on implementation of the Immediate Relief Package, engagement with the United Kingdom (UK) on the Protocols for Effective Financial Management, and an Economic Stimulus to support the BVI economy.

Appendix 1

The COVID-19 Business Impact Survey was conducted between 9th April and 19th April 2020. The questionnaire was disseminated to businesses and sought to assess the impact on business operations, revenue and employment and determine what ongoing assistance may be required. The link to the questionnaire was widely disseminated via email and on social media utilising the Department of Trade and Consumer Affairs' Facebook page and shared with members of the BVI Chamber of Commerce and Hotel Association. As of 19th April 2020, 401 businesses participated. The survey will be repeated every quarter to ascertain how businesses are coping as the COVID-19 crisis deepens.

Chart 1: Respondents by Sector

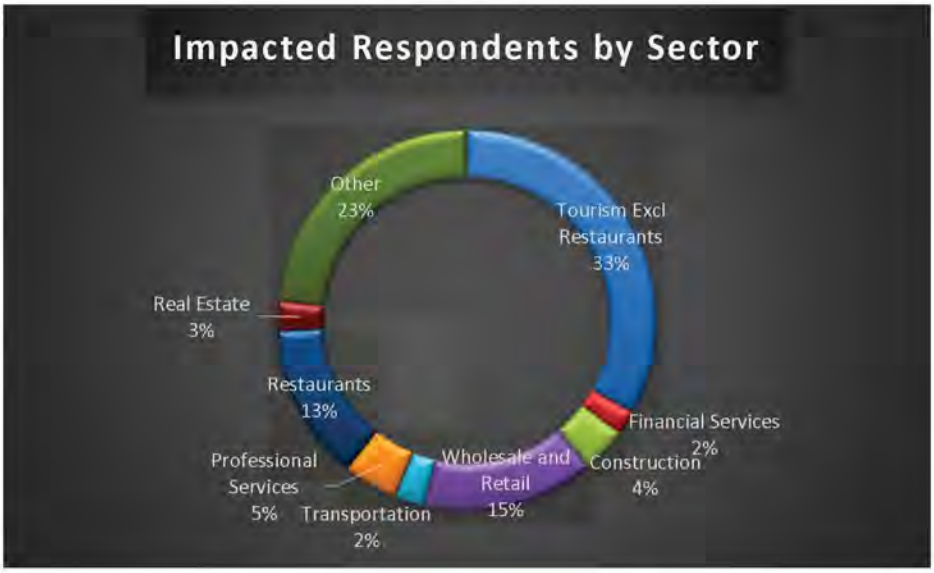


Chart 2: Percentage Layoffs by Business Activity

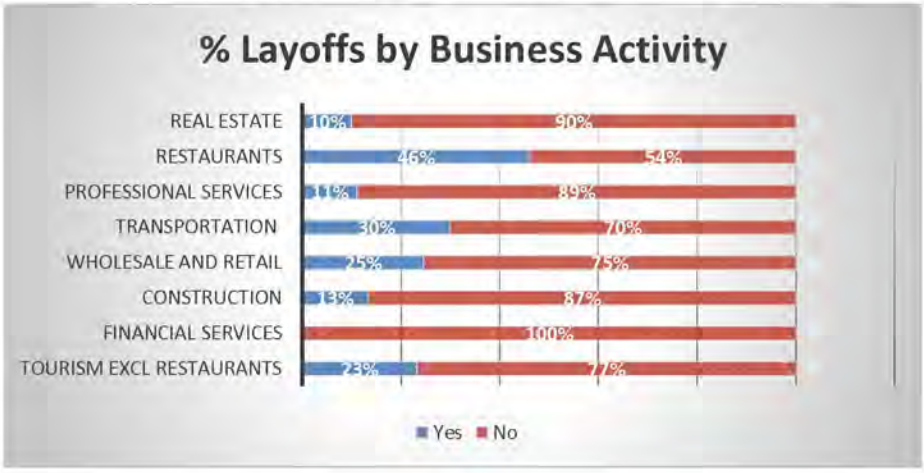


Chart 3: Percentage Reduction in Business Activity by Sector

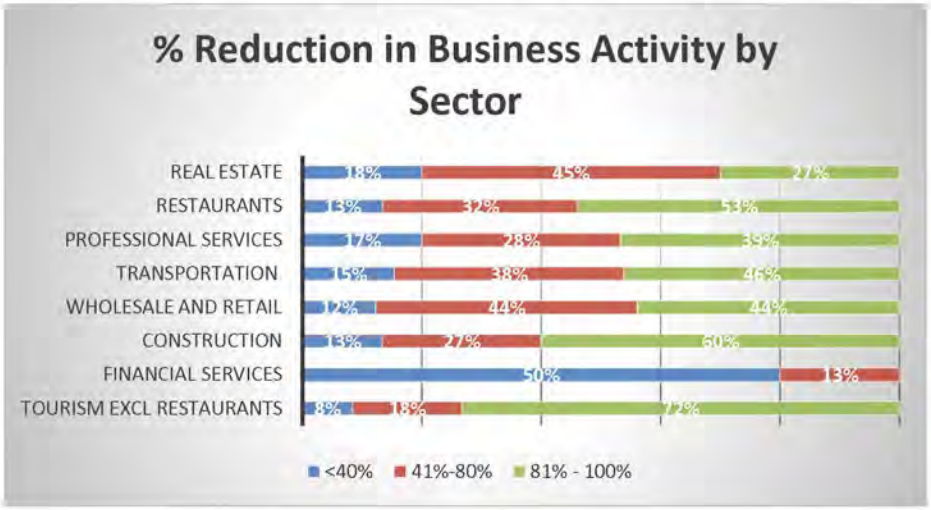


Chart 4: Revenue Loss in Tourism Sector



Appendix 2

Table 1: Status Report on the Immediate Relief policy responses

	Policy Response	Status Update as at April 30, 2020
1a	Suspension of Payroll Tax payments	Meeting held with IRD team to explore the feasibility, features, and challenges in implementation of the policy. A Summary Report will be sent to IRD which would shape the next steps towards implementation. Thereafter IRD would be required to complete a report bi-monthly which would provide an update on the implementation of the policy.
1b	Suspension of Social Security payments	Meeting held with SSB team to explore the feasibility, features, and challenges in implementation of the policy. A Summary Report will be sent to SSB which would shape the next steps towards implementation. Thereafter would require SSB to complete a report bi-monthly which would provide an update on the implementation of the policy.
1c	Suspension of NHI Payments	In the meeting with SSB, it was identified that the implementation of this policy would not be feasible. SSB would be preparing a report to the Financial Secretary which would present the analysis on why the policy wouldn't be feasible.
2	Moratorium on rental payments for businesses at Crafts Alive and Tortola Pier Park	A meeting is to be held on Monday, 4th May, 2020 with both agencies to explore the feasibility, features and challenges in implementation of the policy.
3	No electricity disconnections for 3 months for customers in payment default from March 2020	Meeting held with BVIEC team to explore the feasibility, features, and challenges in implementation of the policy. A Summary Report will be sent to BVIEC which would shape the next steps towards implementation. Thereafter would require BVIEC to complete a report bi-monthly which would provide an update on the implementation of the policy. A meeting with the BVIEC team, Ministry of Finance, Social Development and the Director of Communications GIS team is being planned for next week.
4	Commercial banks lobbied to implement moratorium	A meeting is being scheduled with the commerical banks for the Financial Secretary to discuss the various moratoria offers and to determine the potential impact (% and value) of the impementation of various moratoria.
5	Income support programme in form of 3 monthly payments of up to $1,300 to qualified persons/households	Work has continued on the design of the Income Support Programme, with proposals developed on benefit levels and eligibility criteria, and an Application/Registration Form developed to facilitate assessment of eligibility and benefit amounts for applicants to the Programme. The Ministry of Health and Social Development (MHSD) will shortly bring forward proposals on the design of the proposed Income Support Programme to the Cabinet for decision making ahead of implementation.
6	Increase funding to existing Public Assistance Programme	This policy requires a legislative amendment. This would be further discussed with the Social Development Department, and assistance provided as necessary.
7	Small and Medium Enterprises Subsidy	Work on this policy initiative is being framed by the Committee and will commence shortly.
8	Additional resources to support health sector	The Financial Secretary has been in communication with the Budget Coordinator and the Ministry of Health and Social Development to be able to prepare a report on the disbursements and expenditure for the allocations provided.
9	Free water access provided by Water and Sewerage Department for 30 days	The Financial Secertary has been in communication with the Minisrty of Transportation, Works and Utilities and the Water and Sewerage Department to prepare a report on the gallons of water distributed, and the value of the revenue foregone.
10	Assistance to Agriculture and Fisheries sector	The Committee for this policy met and developed a framework and criteria. A draft Cabinet paper was prepared and will soon to be forwarded to Cabinet for consideration.
11	Price regulations on goods pertinent to reducing spread of Covid-19	The Financial Secretary ha been in communication with the Ministry of Health and Social Development to provide a list of these goods that fall into this category.
12	Accelerated Government payments to creditors	The Financial Secretary has instructed the Accountant General to ensure that all outstanding payments to vendors are made immediately. The Financial Secretary will be snding out a circular soon to Ministries and Departments about sending all pending purchase orders for approval.

GOVERNMENT OF THE VIRGIN ISLANDS

ECONOMIC STIMULUS PACKAGE IN RESPONSE TO THE IMPACT OF COVID-19 ON THE ECONOMY OF THE BRITISH VIRGIN ISLANDS

SUBMITTED BY CHAIRMAN OF THE CORONAVIRUS ECONOMIC AND FISCAL STABILITY TASK FORCE
FINANCIAL SECRETARY MR. GLENROY FORBES

May 15, 2020

GOV_00010693

Executive Summary

Cabinet in its decisions of 12th April 2020, mandated that the Financial Secretary prepare a full report on the recommendation for an economic stimulus package. The outline for an economic stimulus was initially presented in the *COVID-19 Policy Response Paper* completed by the Coronavirus Economic and Fiscal Stability Task Force (Task Force) and approved by Cabinet.

The Financial Secretary, supported by the Task Force, prepared an Economic Stimulus Package Report which presents the economic impact of the coronavirus (COVID-19) and actions taken to prevent its spread, on the Virgin Islands (VI), and the proposed economic stimulus measures in response to the weakening of the economy.

The macro-economic objectives of the economic stimulus package are to slow the contraction of the economy (economic stabilisation), drive economic recovery, and support long-term economic growth. The micro-economic objectives are to increase business activity, support employment retention, boost job creation and strengthen economic competitiveness.

Impact on GDP

The VI economy has considerably weakened since the global outbreak of the coronavirus as economic shocks from local and global measures to contain the virus have disrupted and curtailed economic activity. The two pillars of the economy, financial services and tourism, have been directly impacted with knock on effects on other sectors. The tourism sector in particular is experiencing severe economic disruption, while the financial services sector has been impacted to a lesser extent.

Previous 2020 GDP growth projections of $1.33 billion will not be realised this year, and it is clear that economic expansion will no longer be a reality. Revised forecasts, based on scenario analysis, indicate that the potential loss to GDP in 2020 when compared to 2019 ($1.30 billion) would be approximately $192.98 million (14.8%) where the crisis conditions last for a 3 month period, approximately $342.70 million (26.4%) for a 6 month period and approximately $506.65 million (39.0%) for a 9 month period.

Targeted economic stimulus measures can slow down and lessen the rapid contraction of the economy. However, the return to economic growth for the VI is highly dependent on how quickly the global economy rebounds, that is, a return of international travel and tourism as well as trade and commerce.

Impact on Business Activity and Employment

The slowdown of the VI economy as a result of the 'lockdown', border closings and the suspension of tourism arrivals has consequences for businesses throughout the Territory and by extension the labour market. Losses in monthly revenue as reported by businesses following a Business Impact Survey conducted in April were in the region of $34.8 million with losses in the

tourism industry accounting for 60% or $21.0 million. As the crisis progresses, the observed decline in revenue is expected to increase. For example, initial projections indicated losses in tourism revenue for 2020, based on limited tourist arrivals, could reach over $230.0 million.

In response to the crisis businesses have reverted to reduced working hours for employees and wage cuts to minimise layoffs. However, additional layoffs are inevitable. Already mass layoffs have manifested in the tourism industry following the closure of major hotels and charter businesses for the rest of the season and suspension of cruise arrivals. Spillover effects have also been experienced in other sectors. Lay off data extrapolated from the Business Impact Survey posits that approximately 3,000 persons had been laid off as of mid-April which represents about 15% of total persons employed in the Territory. 34% or about 1,000 of the persons laid off worked in the tourism sector. Other impacted sectors such as construction and wholesale and retail account for 28% and 10% respectively of layoffs. Layoffs in the financial services industry have been minimal thus far and public sector jobs have not been affected to date. Now that the restrictions on business openings have been lifted some persons may have returned to active employment.

Economic Stimulus Package

The VI economy on its current growth trajectory will enter a recession by the third quarter and continue to contract unless economic stimulus measures are taken to slow the contraction, drive economic recovery and support long-term growth. The economic stimulus package is targeted at increasing business activity, supporting employment retention, boosting job creation and strengthening economic competitiveness. The indicative value of the economic stimulus measures presented in the Economic Stimulus Package Report is between $150 million and $175 million. The measures are summarized as follows:

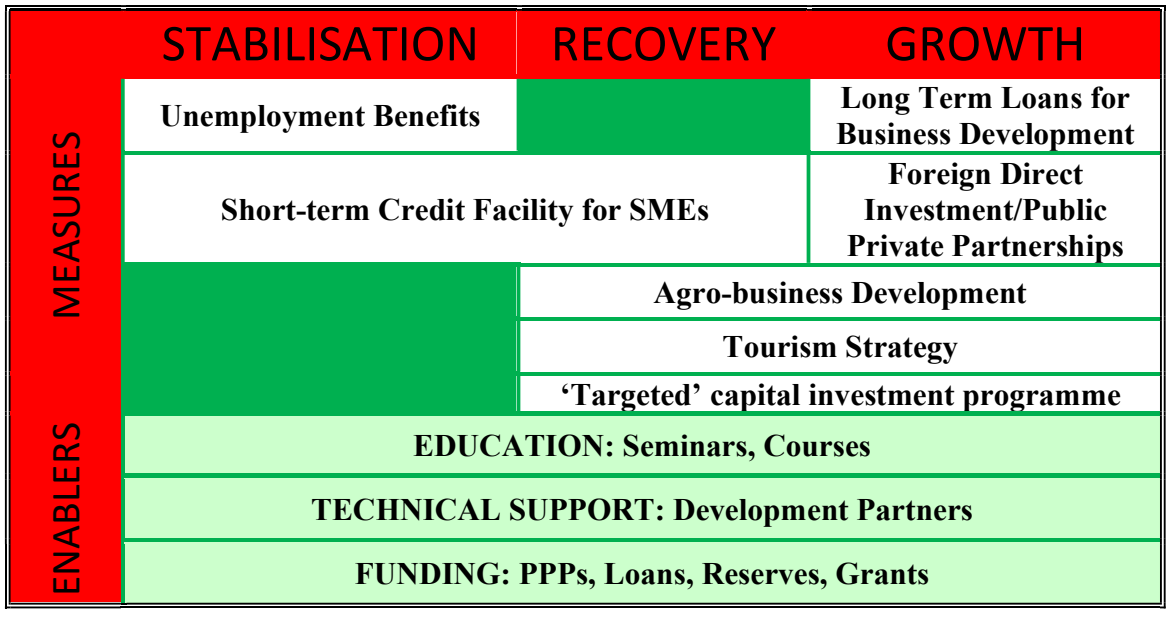


Table of Contents

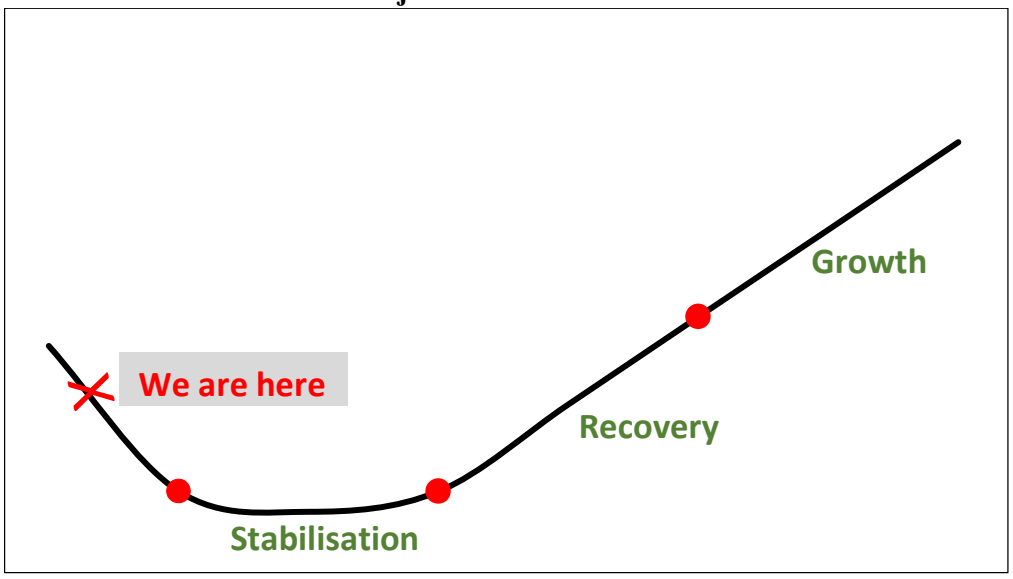
1) Introduction 4
2) COVID-19 Economic Impact 5
a) Impact on GDP 5
b) Impact on Tourism Sector 6
c) Impact on Financial Services Sector 7
d) Impact on Business Activity, Employment, and MSME Sector 8
3) Economic Stimulus Measures 10
a) Stabilisation 11
b) Stabilisation to Recovery 11
c) Recovery to Growth 11
d) Enablers 13
4) Immediate Relief Package 15
5) Stakeholder Consultation 15
Appendix 1. Crisis Conditions 16
Appendix 2. Progress Report: Implementation of the Immediate Relief Package 17
Appendix 3. Policy Paper: BVI Government's Policy Response to Coronavirus Crisis, April 10, 2020 17

633
GOV_00010696

1) Introduction

Cabinet in its decisions of 12th April 2020, mandated that the Financial Secretary prepare a full report on the recommendation for an economic stimulus package. The outline for an economic stimulus was presented in the COVID-19 Policy Response Paper (see Appendix 3) completed by the Coronavirus Economic and Fiscal Stability Task Force (Task Force) and approved by Cabinet. This report fulfils Cabinet's mandate, presenting the economic impact of the coronavirus (COVID-19) and actions taken to prevent its spread, on the British Virgin Islands (BVI) and the proposed economic stimulus measures in response to the weakening of the economy. The macro-economic objectives of the economic stimulus package are to slow the contraction of the economy (economic **stabilisation**), drive economic **recovery,** and support long-term economic **growth**. The micro-economic objectives are to increase business activity, support employment retention, boost job creation and strengthen economic competitiveness.

Chart 1. Macro-economic Objectives of Economic Stimulus Measures



The context for the stimulus is presented below in regard to COVID-19's impacts on GDP, the tourism and financial services sectors, business activity and employment, followed by a description of the economic stimulus measures and their intended targets and effects.

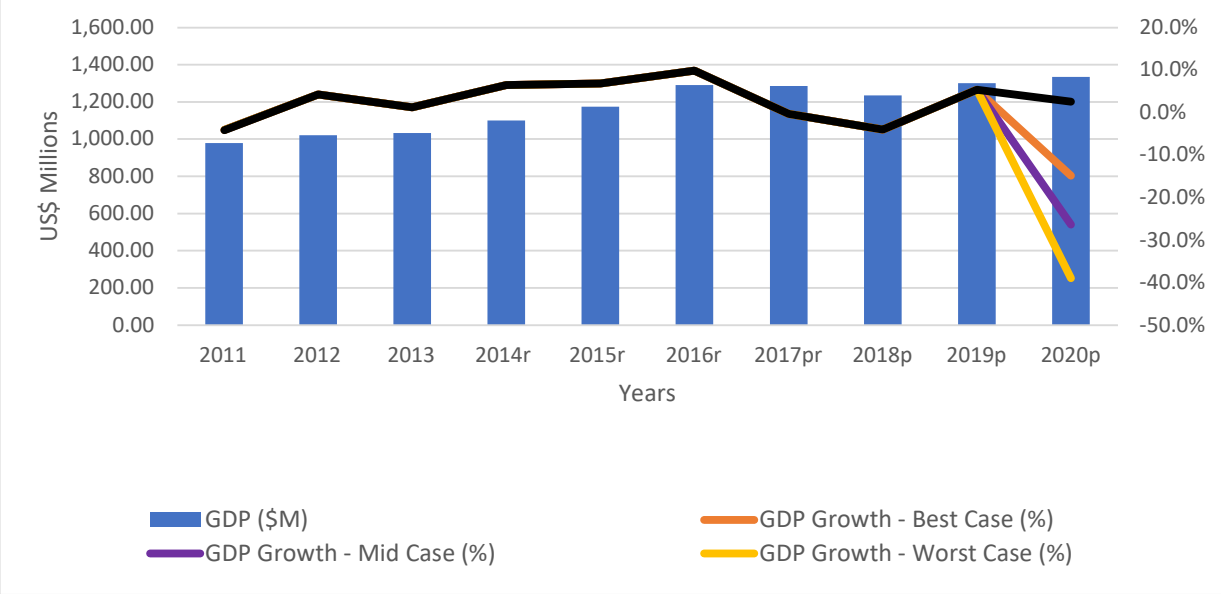
2) COVID-19 Economic Impact

a) Impact on GDP

The BVI economy has considerably weakened since the global outbreak of the coronavirus as economic shocks from local and global measures to contain the virus have disrupted and curtailed economic activity. The two pillars of the economy, financial services and tourism, have been directly impacted with knock on effects on other sectors. The tourism sector in particular is experiencing severe economic disruption, while the financial services sector has been impacted to a lesser extent.

Previous 2020 GDP[1] growth projections of $1.33 billion will not be realised this year, and it is clear that economic expansion will no longer be a reality. Revised forecasts, based on scenario analysis, indicate that the potential loss to GDP in 2020 when compared to 2019 ($1.30 billion) would be approximately $192.98 million (14.8%) where the crisis conditions (see Appendix 1) last for a 3 month period, approximately $342.70 million (26.4%) for a 6 month period and approximately $506.65 million (39.0%) for a 9 month period. On its current growth trajectory, the BVI economy will enter a recession by the third quarter and will experience long-term detrimental and destabilising effects of the COVID-19 induced economic crisis. Targeted economic stimulus measures can slow down and lessen the rapid contraction of the economy. However, the return to economic growth for the BVI is highly dependent on how quickly the global economy rebounds, that is, a return of international travel and tourism as well as trade and commerce.

Chart 2. GDP and Growth



[1] It is calculated at current prices, that is it takes into consideration inflation.

GOV_00010698

b) Impact on Tourism Sector

The economic shocks caused by the local and global measures to contain COVID-19 have disproportionately affected the tourism sector. Border closures, restrictions on travel to the Territory, 24-hour curfews and social distancing have severely curbed business activity. The severity and estimated duration of the coronavirus outbreak in the United States (US) as the BVI's main source market for tourism is likely to prolong the effects of the economic shocks to the tourism sector for an extended period. The Central Statistics Office (CSO) initially projected tourist expenditure in 2020 to be approximately $490 million. Revised forecasts assume that there will be no cruise tourist arrivals from April to December, with overnight arrivals returning in September 2020. This results in a 52% decline in cruise tourist arrivals and a 70% decline in overnight tourist arrivals for 2020. Revised forecasts thus estimate that tourist expenditure will drop by $337.12 million or 68% in 2020 (Table 1). These assumptions have been integrated into the scenarios for the impact of the COVID-19 crisis on tourism-related GDP, for the best (3 months), mid (6 months), and worst (9 months) case scenarios.

Table 1. Impact on Tourist Arrivals and Expenditure 2020

	No COVID-19	COVID-19	Difference	% Difference
Cruise tourist arrivals	541,133	259,590	-281,543	-52.0%
Overnight tourist arrivals	345,002	102,222	-242,780	-70.4%
Total tourist arrivals	886,135	361,812	-524,323	-59.2%
Tourist expenditure (US$ millions)	492.96	155.84	-337.12	-68.4%

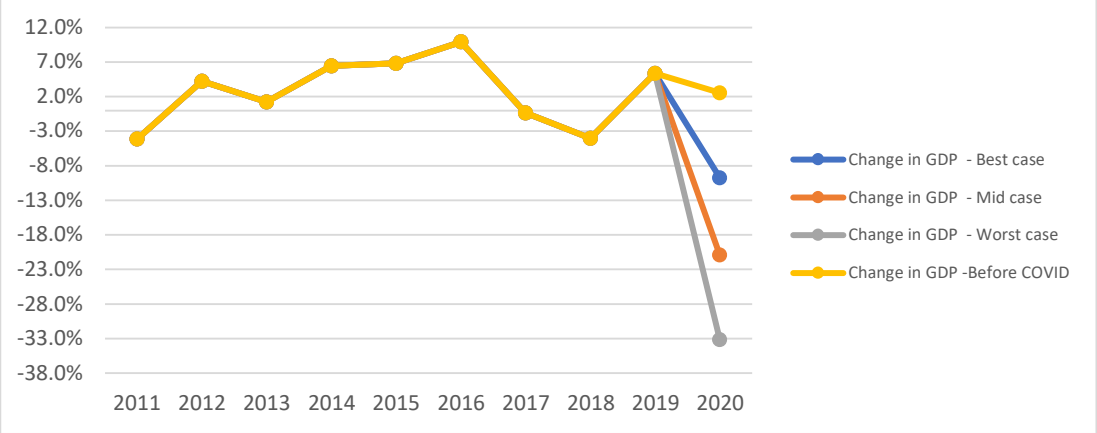
Reflecting the loss in tourist expenditure, potential direct losses to GDP in the tourism sector when compared to 2019 are estimated at $117.23 million where the pandemic crisis lasts for a 3 month period, $255.99 million for a 6 month period, and $409.26 million for a 9 month period. These figures include direct losses to the tourism industry in the form of reduced expenditure and business activity for hotels and restaurants, marine tourism sector and short-term tourism rentals such as villas. Estimated indirect losses in ancillary sectors such as fisheries, construction and utilities could reach up to $21.88 million where the crisis continues for a 9 month period. See Table 2 for a breakdown of losses by scenario.

Table 2. Potential Losses to GDP in Tourism Sector by Scenarios 2020 (US$ millions)

			BEST CASE	MID CASE	WORST CASE
Direct			$117.23	$255.99	$409.26
Indirect			$9.47	$15. 87	$21.88

GOV_00010699

Chart 3. GDP growth with the impact of Tourism



c) Impact on Financial Services Sector

Economic shocks to the financial services sector were experienced early in the COVID-19 crisis as a consequence of the BVI's commercial linkages to China that was the epicenter of the initial coronavirus outbreak. The jurisdiction's high exposure to the Chinese market which accounts for more than 40% of company incorporations, makes the growth of the Chinese economy a key indicator of the performance of the BVI's financial services sector. China's social distancing and lockdown measures substantially curtailed the ability of the BVI's corporate service providers via their Chinese subsidiaries or branches to conduct business activity in the marketplace in January and February. Subsequently, the Chinese economy recorded a contraction of 9.8% in the first quarter of 2020. However, China's containment of the virus and reopening of the economy has begun an economic recovery from which the BVI's financial services sector is seeing an uptick in business activity. The COVID-19 crisis' impact on the demand for BVI corporate structures in the wider Asia-Pacific market and Latin America and Africa, remains unclear as the virus's impact on the economies of these regions requires additional data and analysis. A notable development, however, is the current large-scale movement of capital across borders under way in the form of emergency loans to national governments and the private sector and corporate bailouts. This may benefit the BVI in terms of the use of the jurisdiction's corporate structures to facilitate these processes. The medium and long-term prospects for performance of the BVI's financial services sector will be clearer in the coming months as more data becomes available on global demand for cross-border structures and instruments and COVID-19's longer-term impact on international trade and investment.

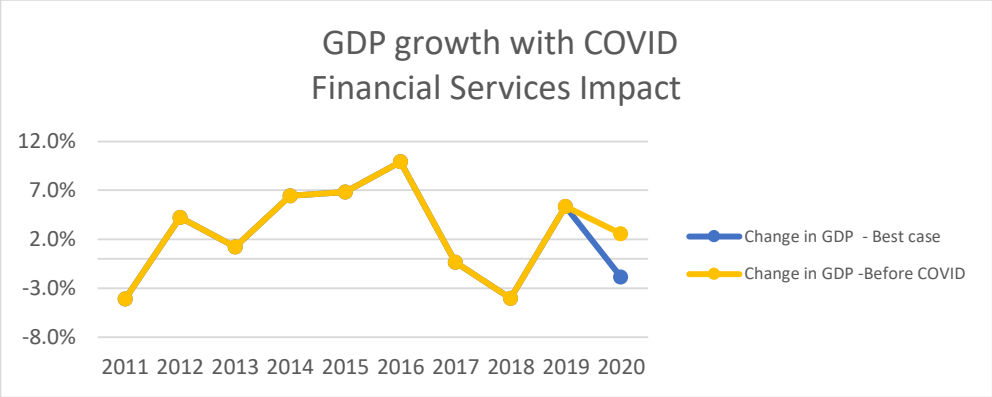
The Ministry of Finance initially estimated a contribution of approximately $304.06 million by the financial services sector to the economy in 2020 or 22.8% of GDP. The potential impact of COVID-19's economic shocks to the sector for 2020 based on the actual performance up to April 2020 is estimated to be a loss of $22.52 million (1.9%) when compared to 2019. The main economic activities in the sector that are the most impacted based on available data are Financial

and Insurance Activities which could decline by 8.7%. These declines compound the impact of the recent negative trend in company incorporation numbers, which began in Q1 2019.

Table 3. Potential Losses in Financial Services Sector 2020 (US$ millions)

	BEST CASE
Direct	$19.34
Indirect	$3.18

Chart 4. GDP growth with the impact of Financial Services



d) Impact on Business Activity, Employment, and MSME Sector

The slowdown of the BVI economy as a result of the 'lockdown', border closings and the suspension of tourism arrivals has consequences for businesses throughout the Territory and by extension the labour market. As business activity contracts, revenue as well as the demand for labour will drop. Losses in monthly revenue as reported by businesses following a Business Impact Survey[2] conducted in April were in the region of $34.8 million with losses in the tourism industry accounting for 60% or $21.0 million. As the crisis progresses, the observed decline in revenue is expected to increase. For example, initial projections indicated losses in tourism revenue for 2020, based on limited tourist arrivals, could reach over $230.0 million[3].

Although in an attempt to minimise layoffs businesses have reverted to reduced working hours for employees and wage cuts[4] to minimise layoffs, some are inevitable. Mass layoffs have already manifested in the tourism industry following the closure of major hotels and charter businesses for the rest of the season and suspension of cruise arrivals. Spillover effects have also been

[2] To gauge the impact of the virus on business activity a COVID-19 Business Impact Survey was conducted by the Government/Task Force between 9th April and 19th April 2020. Information is based on the responses of 401 businesses across sectors.
[3] See Policy Paper: BVI Government's Policy Response to the Coronavirus Crisis, April 10,2020
[4] Approximately half of respondents to the Business Impact Survey indicated that they have had to revert to salary cuts and reduced hours for employees in response to the crisis.

experienced in other sectors. Lay off data extrapolated from the Business Impact Survey posits that approximately 3,000 persons had been laid off as of mid-April which represents about 15% of total persons employed in the Territory. 34% or about 1,000 of the persons laid off worked in the tourism sector. Other impacted sectors such as construction and wholesale and retail account for 28% and 10% respectively of layoffs. Fortunately, layoffs in the financial services industry have been minimal thus far and public sector jobs have not been affected to date. Now that the restrictions on business openings have been lifted some persons may have returned to active employment. The technical team of the task force will conduct another survey in June to determine further impacts of the crisis on the labour market as well as other aspects of business continuity.

Micro and small businesses[5] which make up most of the business landscape in the BVI are the most vulnerable to shocks in the economy which can compromise their ability to endure persistent crisis effects. Generally, it will be more challenging for micro and small businesses to maintain employment levels during periods where they receive declining or no revenue. Inferences from the Business Impact Survey suggest that 60% of the persons laid off are from businesses with less than 25 employees and small businesses will lose approximately $27.8 million in revenue per month.

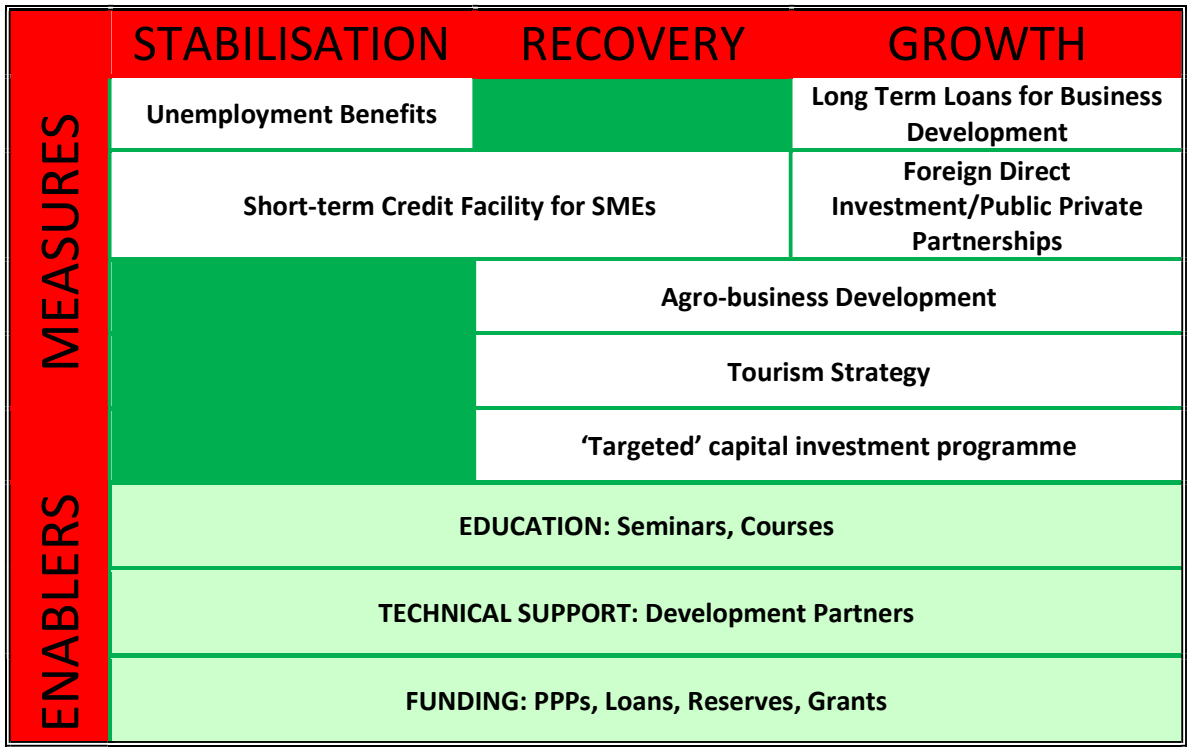
[5] Micro, Small and Medium Enterprises. For the purposes of this report micro relates to businesses with less than 7 employees, small between 7 and 25 employees and medium greater than 25 employees.

3) Economic Stimulus Measures

The BVI economy on its current growth trajectory will enter a recession by the third quarter and continue to contract unless economic stimulus measures are taken to slow the contraction, drive economic recovery and support long-term growth. An economic stimulus package in this frame and targeted at increasing business activity, supporting employment retention, boosting job creation and strengthening economic competitiveness can provide needed support to the economy and reposition the BVI for the new economic environment that will emerge from the coronavirus global pandemic.

Below are proposed economic stimulus measures. The indicative value of the economic stimulus measures identified in this report (items (a) – (j)) is between $150 million and $175 million. Further work will be done on costing each of the initiatives as they are developed further and they will be considered and implemented based on available financial resources.

Table 4. Summary of Economic Stimulus Measures



GOV_00010703

a) Stabilisation

(i) Development of an Unemployment Benefit Scheme with initial upfront funding.

A study on the development of an Unemployment Benefit Scheme has been completed by the Social Security Board and presents analysis on a temporary and permanent scheme. The study has been shared with the Minister of Natural Resources Labour and Immigration for consideration, approval and next steps. If required additional support can be secured from the European Union (EU)/International Labour Organisation (ILO).

b) Stabilisation to Recovery

(ii) Short-term credit facility to SMEs to boost business activity and protect business continuity as the crisis deepens.

The funding for this programme is envisaged to be in the form of a soft-rate loan guaranteed by Government with possible seed investment from the Social Security Board (SSB), commercial banks and the private sector. It is recommended that the administration of this programme be done by one of the commercial banks, as opposed to the National Bank of the Virgin Islands. It is important to create an environment outside of the Government structure to avoid the repetition of past failures. The Ministry of Finance has commenced work on researching the mechanisms of implementation of this policy and will continue to engage the named stakeholders in discussions towards implementation.

This policy will be further developed collaboratively between the Ministry of Finance, Department of Trade, Investment Promotion and Consumer Affairs and Premier's Office. Discussions have commenced with the SSB, and some of the commercial banks. The discussions with the banks and other potential investors will continue in the coming weeks. In addition, the Ministry of Finance will provide the relevant support and advice to the Department of Trade, Investment Promotion and Consumer Affairs in the development of a separate policy paper. Consultations with the private sector, and other key stakeholders will also be key in ensuring that this policy action is properly structured to fulfill its objective.

c) Recovery to Growth

(iii) Targeted capital investment programme which will focus on projects that would stimulate economic activity and generate employment within the economy.

The Government's Capital Investment Programme (CIP) is contained in the 2020 - 2022 Budget. Now as the Territory is faced with this pandemic, the projects in the CIP will need to be re-prioritised, and the CIP will need to be more sharply focused on stimulating

economic activity. In the upcoming revision of the 2020 Budget, the re-prioritisation, re-focusing and funding of the CIP will be a key component in Government's efforts to stimulate the economy, multiply the impact of each dollar spent and create employment opportunities for the People of the Territory.

(iv) Launch a programme with incentives to attract foreign direct investment in the Territory. There can be a particular focus on projects that will led to economic growth and expansion in existing sectors and emerging industries including tourism infrastructure and renewable energy.

In a post COVID-19 economy, Foreign Direct Investment (FDI) will form the foundation for the BVI's medium to long-term growth. Public Private Partnerships (PPPs) and private investments can be encouraged once a robust framework is in place which identifies viable projects that promote sustainable growth, manage risks and expectations and present opportunities for innovation and design. Utilise the current draft BVI Investment Act as a catalyst to foster FDI and local investment in key growth sectors. Engagement with the private sector and institutional investors is key in creating partnerships that are mutually beneficial. Charting the recovery and development path for the Territory will require proper planning. COVID-19 has resulted in a shift in the BVI's development path therefore at this juncture the development of a 5-year COVID-19 Recovery to Development Plan should be considered. Apart from setting out main recovery and development goals for the Territory it will provide potential investors with a bird's eye view of potential areas of investment and collaboration.

(v) Provide incentives to drive investment in agrobusiness to support food production in agriculture and fisheries.

Currently agriculture and fisheries in the BVI are not conducted on a commercial scale that can supply both domestic and international markets. These sectors require private investment to be commercially viable and achieve their full potential as contributors to food security and economic growth. A framework for commercial partnerships between local and international companies can support this goal. Commercial partnerships between local and international companies can channel much needed capital investment, commercial expertise and contemporary knowledge of production methods to these industries and open up access to export markets. Incentives for investment can be driven by the development of modern licensing regimes for commercial operations, tax incentives to encourage capital investment, low interest loans to cover initial overhead costs and attractive terms for partnership between local and international companies.

(vi) Develop a programme to provide long-term loans with favourable terms to support the development of niche and emerging industries, especially in the areas of technology, recycling and light manufacturing of products from local inputs.

Diversification of the economy is a critical factor for building resilience and cushioning the impacts of external shocks. Mechanisms to encourage local investment in crucial industries is important for promoting national ownership of potential growth sectors. Capitalising on partnerships with the development community including UN Agencies and the EU should be a priority since they can provide technical guidance on how to develop and be competitive in emerging industries. A fund can be set up to provide initial seed funding/guarantee for the loan programme as well as providing a structure to access possible funds that agencies such as the IDB, EIB, etc. may be willing to provide in support of these ventures.

(vii) Develop a Tourism Strategy to navigate the challenges and reposition the BVI to regain its comparative advantage in a post COVID-19 market.

Developing a recovery and repositioning tourism strategy is of uttermost importance to determine primarily how to operate a tourism industry given new public health and travel constraints and restart the sector. At a minimum it is suggested that the strategy addresses the following areas: realigning the tourism sector and product to encompass social distancing requirements; management of the border openings so that the tourists experience is exceptional and the health and safety of the general public is maintained; promotion of local tourism related activities; sequencing the reopening of various sub-sectors of the industry; analysis of ongoing developments in the source markets; identification of the roles of all stakeholders and creation of a tourism task force.

d) Enablers

Education

(viii) Development of training programmes that will provide the opportunity for persons (particularly those displaced by the current crisis) to retool or improve skillsets in niche industries including the tourism, agriculture and fishing.

The Hospitality and Culinary Institute at the HLSCC in collaboration with the BVI Tourist Board has already begun developing a hospitality training and re-training for upscale tourism. Discussions will commence with HLSCC so that the specific details of the programme implementation can be monitored. Programmes for training fisher folk and farmers are currently being developed.

Technical Support

(ix) Technical support to assist Government and the private sector with a special focus on MSMEs to navigate through various challenges that COVID-19 has presented and the transitioning to a digital economy .

This support can be provided through technical assistance and funding from international organisations such as UNDP, ILO, and the EU. Some discussions have already commenced. The UNDP for example has shown interest in collaborating on developing content that could be shared on a knowledge hub, sharing expertise on developing a digital economy and supporting an MSME grant programme.

Funding

(x) Once the economic stimulus measures are approved, various projects and programmes confirmed and costings determined, a funding strategy will be developed to support implementation.

Whereas funding for the Immediate Relief Progamme will largely be done through nationally available resources (grants, loans, reserves, public sector budgets etc.) the scope of the economic stimulus package will require novel and possibly more sophisticated methods of financing and support. These include PPPs, venture capital, financial instruments such as bonds, and other mechanisms.

4) Immediate Relief Package

Cabinet in its decisions of 12th April 2020 mandated that the Financial Secretary coordinate the implementation of the Immediate Relief Package contained in the COVID-19 Policy Response Paper approved by Cabinet on the same date, and required an update on progress be provided on a bi-monthly basis. This progress report will be presented separately to Cabinet for their information and is being finalised by the Immediate Relief Implementation Committee in the Ministry of Finance.

5) Stakeholder Consultation

COVID-19 has affected many stakeholders in the economy to whom economic stimulus measures will be aimed. Their input will be needed to help guide Government's design of the programmes and projects in the implementation of the various economic stimulus measures if they are to be effective. A schedule of sectoral consultations should be prepared for this purpose under the remit of a committee to include representation from the Premier's Office, Ministry of Finance, BVI Tourist Board, Department of Trade and Consumer Affairs and BVI Finance.

Appendix 1. Crisis Conditions

SCENARIO	TIME	MONTHS	TOURISM CRISIS CONDITION
Best Case	3 Month	Mar - Jun	No tourist activities for 3 months, additional 10% reduction in employment in other sectors
Mid Case	6 Month	Mar - Sep	Best case assumption, no cruise calls up to Sep, no overnighters for 60 days, further 5% reduction in employment in other sectors
Worst Case	9 Month	Mar - Dec	Mid case assumptions, no cruise calls up to Dec, 15% of projected overnighters for Oct - Dec, further 5% reduction in employment in other sectors

SCENARIO	TIME PERIOD	MONTHS	FINANCIAL SERVICES CRISIS CONDITION
Best Case	2 Month	Mar - Apr	Based on 16% drop in Financial Service revenue when compared to 2020 projections based on actual up to Apr 2020

Appendix 2. Progress Report: Implementation of the Immediate Relief Package

Appendix 3. Policy Paper: BVI Government's Policy Response to Coronavirus Crisis, April 10, 2020

GOV_00010710

Implementation of the Immediate Relief Package

Update Report

The primary objective of this bi-monthly report is to facilitate the Financial Secretary in providing an update to the Minister of Finance on the implementation of the Immediate Relief Package by the Ministries, Departments and Statutory Bodies as approved by Cabinet on 14th April, 2020

GOV_00010633

Table of Contents

Background 2

The Committee 2

Introduction 4

Suspension of Social Security Contributions 5

Suspension of National Health Insurance Contributions 6

Suspension of payroll tax payments 7

No Electricity Disconnections 8

Income Support Programme 9

Assistance to Agriculture and Fisheries Sector 10

Increase funding to existing Public Assistance Programme 11

Moratorium on rental payments for businesses in Cyril Romney Tortola Pier Park (TPPL) 12

Small and Medium Enterprises Subsidy 13

Free water access 14

Additional resources to support the health sector 15

Price regulations on COVID-19 goods 16

Commercial Banks lobbied to implement moratorium 17

Accelerated government payments to creditors 17

Appendix A – Implementation of Other Relief Measures 18

Background

On 4th April, 2020, Cabinet of the Virgin Islands (Cabinet) approved the Policy Paper: BVI Government's Policy Response to the Coronavirus Crisis prepared by the Coronavirus Economic and Fiscal Stability Task Force (the Task Force). In this paper, the Task Force recommended the implementation of an Immediate Relief Package which would:

(a) provide immediate financial relief and support to laid-off workers/ employees who may be required to work reduced hours and businesses that are directly impacted by the coronavirus; and

(b) provide additional funding to the health sector as required, as well as statutory bodies and public corporations that may be indirectly impacted by the crisis.

Cabinet further decided that the Financial Secretary would instruct the applicable Ministries, Public Corporations and Statutory Bodies to implement the Immediate Relief Package, and for each agency to submit a bi-monthly report to the Minister of Finance for the information of Cabinet.

Implementation involves ensuring that the necessary administrative arrangements are put in place. These arrangements include for example, the development of effective and efficient implementation structures, such as criteria for determining eligible recipients, payment disbursement platforms and payment relief mechanisms.

As a result of this additional responsibility placed on the Ministry of Finance the Financial Secretary has set up an Immediate Relief Implementation Committee (IRIC). This Committee would be responsible for coordinating the implementation of the Immediate Relief Package.

The Committee

The tasks of the Committee would primarily include, but not be limited to:

1. Planning and chairing meetings, as required by the Financial Secretary, with Ministries, Statutory Bodies and Public Corporations to discuss and consider the policy actions for which they are responsible;

2. Investigate any legal implications of any planned policy actions;

3. Advise on the financial implications of the policy interventions;

4. Assist as may be required in preparing Cabinet papers for the policy actions;

5. Assist in the development of the structures needed to implement the policy initiatives from Cabinet;

6. Prepare the framework for monitoring and evaluation of implemented programmes;

7. Prepare reporting mechanisms for bi-monthly updates on implementation work undertaken; and

8. Ensure that Ministries, Statutory Bodies, Public Corporations and other implementing agencies report at least bi-monthly on progress and ensure that a consolidated report is prepared for the Financial Secretary so that he can meet the reporting deadlines set by Cabinet.

This Committee will have access to experts within the various sectors and can organise various meetings and consultations to gather more information as required which can support the Ministries and Agencies in the implementation of the policies.

This Committee is expected to be short-term in nature and will no longer be required once the relevant structures are in place to implement, monitor and report on the policies approved by Cabinet. The Committee is composed of the following staff members of the Ministry:

Name	Title	Position on Committee
Mr. Glenroy Forbes	Financial Secretary	Official Chair
Mr. Jeremiah Frett	Acting Deputy Financial Secretary	Chair
Mrs. Michelle Phillips	Acting Head of Macro Fiscal Unit	Member, Technical Lead
Mr. Emery Pemberton	Economist of Macro-Fiscal Unit	Member
Mrs. Rashida Glasgow	Internal Auditor III	Member
Ms. Rasheda Hodge	Assistant Secretary	Member
Mrs. Carline Prentice	Senior Executive Officer	Member
Ms. Teshonda Thomas	PA to the Financial Secretary	Ex-officio Member

Introduction

The Committee prepared its first report to Cabinet as required on 30th April, 2020. This first report was Appendix 2 of the Pre-Report to the Minister of Finance 'Update on the Impact of the Coronavirus on the BVI Economy & Follow-up on the Recommendations of the COVID-19 Policy Response Paper'. The report focused on the work planned to advance the implementation.

This second report provides a comprehensive presentation and update on each policy that forms a part of the Immediate Relief Package. There are some policies such as the 'Income Support Programme', 'No electricity disconnections', and the 'Assistance to Agriculture and Fisheries Sector' that can be brought to Cabinet for deliberation and approval.

A comprehensive update is provided on the following policies 'Accelerated government payments to Creditors', 'Additional resources to support the Health Sector', 'Commercial banks lobbied to implement moratorium', and 'Free Water Access provided by Water and Sewerage Department'.

The report further provides the progress made on other policies, considerations that need to be taken into account for implementation of the policies, and the next steps needed before implementation. These policies include the suspensions of social security payments, national health insurance payments, and payroll tax payments; rental moratoria for Craft Alive and Cyril Romney (Tortola) Pier Park; increased funding to the existing Public Assistance Programme; and the Price regulations on goods pertinent to reducing the spread of COVID-19.

The Committee has commenced discussions with the Department of Trade, Investment and Consumer Affairs to advance the implementation of the Small and Medium Enterprises Subsidy. The Committee will be focusing on this policy to ensure that by the next report, it is ready to be brought to Cabinet for deliberation and approval.

This report also includes an appendix with other relief measures that were implemented, in addition to the immediate relief measures in the Cabinet's approved Interim Framework Document '**BVI Government's Policy Response to the Coronavirus** Crisis'.

Implementation of the Immediate Relief Package

Update Report

Suspension of Social Security Contributions

Policy Features

The first meeting between the Ministry of Finance (MoF) and the Social Security Board (SSB) occurred on 29th April, 2020 (see attached report). Although, the revised policy was agreed, in principle, the absence of a Board for SSB does not allow for the approval of any policy or mechanisms for its implementation. The affected businesses would have to complete an application form (to be approved by the Board), then an assessment would be completed to determine their good standing status, among other checks. All arrears owed prior to February 2020 must be paid. In addition, it would not be feasible for the business and for the benefits of its employees for this policy to be extended beyond six months. Businesses that can pay contributions should continue to pay. This Policy should be on a case-by-case basis to benefit those businesses that are really affected. Late penalty fees for businesses would be waived for the period February to August 2020.

Other considerations for this policy

Benefits are based on the number of contributions made. So, waivers not suspensions (moratoria) could affect employees future claims to benefits (pensions) based on their lost contributions. If the government takes a moratorium on its contributions, SSB contributions will drop by about $6.2 million in 2020 (20% of total annual contributions). There has been a 35% reduction in contributions from the private sector in March, and this decline is expected to grow as more businesses close. If a deferment is granted, this would result in negative monthly income for the SSB, when all other concessions (loan moratoriums, SSB's capital investment projects, grant, and new borrowing) are considered. The sustainability of the SSB should be taken into consideration in the context of the concessions, loss on its investment portfolio, and growing decline of contributions due to closed businesses (about $9.2 million in 3 months). These funds being requested from the SSB would have to come from the Certificate-of-Deposits in the local banks, and this could certainly cause a liquidity problem for the National Bank of the Virgin Islands.

Policy Description

Proposed Policy

Suspension of both employee and employer portions of social security payments for three months, conditional on a Labour Retention Policy agreement.

Revised Proposed Policy

Moratorium on both employee and employer portions of social security payments for three months, in the first instance, on a case-by-case basis, conditional on a Labour Retention Policy agreement and good standing status.

Next Steps: Appointment of a Board; Board to review policy; Cabinet decision paper from the Ministry; Possible amendment to legislation; PR campaign and implementation of the policy.

Implementation of the Immediate Relief Package

Update Report

Suspension of National Health Insurance Contributions

Considerations for No Implementation of Policy

In the meeting held between the Ministry of Finance (MoF) and the Social Security Board (SSB) on the 29th April, 2020, the National Health Insurance (NHI) Scheme was also discussed. A letter (attached) was sent to the Minister of Natural Resources, Labour and Immigration on the 28th April, 2020 with subject COVID-19 Economic Assistance for SSB and NHI.

The total initial agreed amount for start-up funding of $11.5 million was never given to NHI. Only $5 million was given leaving an outstanding balance of $6.5 million owed. An outstanding bill is owed by Government ($18 million) for residents under the scheme who have utilised private medical facilities for treatment and not the BVIHSA. Therefore, the $42 million being sent through NHI to BVIHSA to cover the cost of medical treatment for persons is not being utilised for this purpose.

Based on comments received from the SSB during the 29th April, 2020 meeting, it was stated that currently, NHI is four months (January to April) behind in its payments to Medical Providers. Some Providers have stated that they will ask their patients to pay 100% of cost for service and the patient collect from NHI. The most recent (February 2020) financials for NHI showed a cash balance of $2,591,417 and claims payable of $6,369,828. If a suspension of NHI premiums is granted, payments of claims to health care providers will be further impacted.

Benefits are based on the number of contributions made. So, if contributions are not made to the Scheme (as under the proposed policy), this would impact benefits. Furthermore, if the government takes a moratorium on its contributions, NHI contributions will drop by about $6.7 million for the year (23% of total annual contributions).

Considering all the above, the suspension of NHI contributions should not be a consideration. There should also be no relaxation of late penalties.

Policy Description

Proposed Policy

Suspension of both employee and employer portions of national health insurance contributions for three months, conditional on a Labour Retention Policy agreement .

Revised Proposed Policy

No moratorium or waiver on employee and employer portions of national health insurance contributions is possible for this proposed policy.

Implementation of the Immediate Relief Package

Update Report

Suspension of payroll tax payments

Policy Features

The first meeting between the Ministry of Finance and the Inland Revenue Department (IRD) occurred on the 29th April, 2020 (see attached report. The proposed policy should be expanded to all eligible businesses, not only to tourism related businesses. The good standing condition would avoid delinquent businesses from taking advantage of this policy measure. Eligibility of the business will be determined through an application form.

It was recommended that this policy should be handled on a case-by-case basis in order for the affected businesses to really benefit from the moratorium. Affected businesses are those businesses whose employees' salaries have been reduced. Businesses with unaltered payrolls MUST continue to pay their taxes. Also, for better tracking of affected businesses, ALL (affected/not affected) businesses MUST continue to complete their monthly tax returns.

The operating hours of some businesses and employees are currently and will continue to be driven by the curfews, so although the policy would benefit these businesses now, as working hours normalise, this policy will no longer apply to most of these businesses.

Other considerations for this policy

Based on the historical payroll tax collection and employment earnings data, about 60% of the tax base would still be earning less than $10,000 (tax holiday) by May. So, this policy would not benefit these employees. April payroll has already been made, and tax returns are now being filed with IRD.

With a compromised recording and reporting system for tax payments, it would not be possible for the IRD to provide the information to monitor and assess the effectiveness of the policy. Also, a full late penalty waiver is automatic, but for a partial late penalty waiver internal controls of the recording system would have to be manually adjusted. This would be a human resource challenge for IRD.

Policy Description

Proposed Policy

Suspension of both employee and employer portions of payroll tax payments for three months, conditional on a Labour Retention Policy agreement.

Revised Proposed Policy

Waiver on both employee and employer portions payroll tax payments for three months, in the first instance, on a case by case basis, conditional on a Labour Retention agreement and good standing status, from 1st May, 2020 filing submitted in June.

Next Steps: Cabinet decision paper from the Ministry of Finance; Amendment of Payroll tax regulations (eligibility criteria and timeframe for waiver); PR campaign and implementation of the policy.

Implementation of the Immediate Relief Package

Update Report

No Electricity Disconnections

Policy Features

The first meeting between the Ministry of Finance (MoF) and the BVI Electricity Corporation (BVIEC) occurred on the 30th April, 2020. It was recommended that only one month deferral of payments be extended to customers. The Corporation strongly believes that if this policy is extended beyond one month to delinquent customers, then they would always have an arrears issue. Any policy recommendation would be contingent on government's timely payment of its bills, and payment of its arrears (including assisting with timely payments from Statutory Bodies). An application form was developed for persons who might be experiencing difficulties in paying their bills. The greatest challenge with implementation of this policy is being able to assess who can afford to pay.

A second meeting between BVIEC, the MoF and the Social Development Department (SDD) was held on 7th May, 2020. At this meeting, it was agreed in principle that SDD would include information about electricity billing on the income support application form. A copy of this form will be sent to BVIEC to facilitate the crediting of the billing amounts up to a CAP of $60 per eligible applicant to his/her account. Customers would be responsible for amounts above the CAP. MoF would pay the credited total based on the applications directly to BVIEC from the income support allocation. For about 2,800 households, this policy can cost up to $168,000 (2800x$60). The reports for these meetings are attached.

Other considerations for this policy

Due to customers not recovering from the 2017 hurricanes, BVIEC customer base of about 16,500 dropped to just about 14,000 which has resulted in reduced revenue with fixed costs. The shut-down in March saw the demand for electricity reduce by 7 megawatts (MW) from about a 28 MW level which can further impact the viability of the Corporation.

BVIEC does not know the occupation of its customer base, so it is challenging for them to estimate the potential loss in revenue from the closure of businesses, and from rising unemployment.

Next Steps: Cabinet decision paper; PR campaign & implementation of the policy.

Policy Description

Proposed Policy

No electricity disconnections for three months for customers in payment default from March 2020 in the first instance. Customers with ability to pay should still pay.

Revised Proposed Policy

No electricity disconnections for 3 months for customers in payment default from March 2020, up to six months. Customers with ability to pay should still pay. Linked to Income Support Programme from which an allocation for electricity bills is paid to BVIEC.

Implementation of the Immediate Relief Package

Update Report

Income Support Programme

Policy Features

Income support programme would directly address the impacts of Covid-19 on living conditions of individuals and families in the Virgin Islands., who as a result of the loss of income, are unable to afford necessities, such as food, water, medication, and utility payments.

The Social Development Department (SDD) has completed work on the design of the programme with proposals developed on benefit levels and eligibility criteria, and an application/registration form developed to facilitate assessment of eligibility and benefit amounts for applicants to the Programme. Three options were examined in determining the benefits amount. The Minimum Basket Approach is recommended as allowing for fairer distribution of resources through an assessment of household size and level of vulnerability. Proposals have sought to integrate lessons from the Household Assistance Programme jointly implemented in the wake of 2017's hurricanes by the Red Cross, Caritas, ADRA and the Ministry of Health and Social Development.

Three tiers of assistance to households can be utilised - $600, $1,000, and $1,370 per month with the maximum amount granted to a household being set at $1,370. Initial costing for the programme where about 2,800 households are assisted (the low case) over an initial three-month period, estimates a total cost ranging from $7.7 million to $8.9 million, providing grants to eligible households between the amounts of $600 and $1,370 monthly. An amount that can reach up to $168,000 would be deducted from this programme allocation and paid directly to BVIEC towards the crediting of applicant's electricity bills.

Cash transfers are recommended as a faster, cheaper, simpler and more dignified approach than either central procurement or distribution, or Voucher systems. The Ministry of Finance would like Cabinet to consider all options, including the use of debit cards for disbursement. The Ministry of Health and Social Development (MHSD) will shortly bring forward proposals on the design of the proposed Income Support Programme to the Cabinet.

Next Steps: Cabinet decision paper; PR campaign & policy implementation.

Policy Description

Proposed Policy

Income support programme in the form of three monthly payments of up to $1,300 to qualified persons or households .

Revised Proposed Policy

Income support programme in the form of three monthly payments of up to $1,370 to qualified persons or households .

Programme is intended for most vulnerable to have a source of income to meet their basic needs, food, water, utility payments, medicines, etc.

GOV_00010642

Implementation of the Immediate Relief Package

Update Report

Assistance to Agriculture and Fisheries Sector

Policy Features

Cabinet approved an economic stimulus in the amount of two million dollars ($2M) for fishermen and farmers during the COVID-19 crisis.

Recognising the Territory's heavy reliance on food imports, food security for the people of the Virgin Islands is paramount as food shortages may occur if the pandemic persists. This stimulus should boost the production, harvest, and availability of local food and ensure it is accessible to a wide spectrum of the population. The stimulus is therefore reserved for commercial fisheries and agriculture/farming only.

The Rapid Response Fishing and Farming Programme was developed to be able to fulfill the requirements of the policy, and even further for the overall development of the agriculture and fishing industries in the Territory.

The allocation for the policy is to be used for (a) purchasing the supplies for fisher-folk; (b) purchasing the needed supplies for farmers; and (c) ramping up production to provide the local market with the food necessary to sustain ourselves in this Virgin Islands economy.

A registration form was administered to farmers and fisher-folk. The data compiled from this registration process would be able to identify the main challenges experienced by farmers and fisher-folk, and to provide a ranking of their immediate needs. It would also be able to highlight any prior assistance received, and possible markets for their produce or catch.

The draft Cabinet Paper and the Agricultural and Fisheries Policy Paper have been prepared for submission to Cabinet for approval of the implementation mechanisms for the policy. The purpose of this paper is for Cabinet to review and approve the criteria and eligibility document, the priority areas for farming and fishing, the application form and production log for reporting; and the process that will be used to approve disbursement of funds to farmers and fishermen from the $2M economic stimulus facility. This paper is currently being finalized by the Premier's Office for presentation by the Premier to Cabinet for approval.

Next Steps: Approval of a Cabinet decision paper; PR campaign and implementation of the policy.

Policy Description

Provide a stimulus for fishers and farmers as a mitigative measure against food shortages because of the rapid spread of COVID19.

Commercial farmers and fisher-folk are the recipients of the stimulus.

Assistance would take the form of provision of materials and equipment

Implementation of the Immediate Relief Package

Update Report

Increase funding to existing Public Assistance Programme

Policy considerations

The objective of this policy is to provide aid to households that are vulnerable, but not eligible for direct income loss support (under the Income Support Programme).

The Act contains provisions for the Minister to make orders for a class of persons to receive assistance, to add additional criteria for eligibility, and create regulations. The current eligibility criteria in the Public Assistance Act, 2013 does not permit benefits to all persons within the category of recipients just identified.

An amendment would be required to Section 15, Sub-section 4 of the Act to allow for the expansion of the eligibility criteria, and can also allow specification of the period of time for which the criteria would be enforced.

A policy paper would need to be developed by the Social Development Department (SDD) and the Ministry of Health which would present expansion of the programme, revised eligibility criteria, benefit amounts, costing based on projected number of recipients, and mechanisms for implementation.

The policy paper should also present clear methodologies behind any costings and projections, and stipulate penalties. The estimated amount that was proposed to increase funding to this programme was $2 million.

A decision paper then needs to be taken to Cabinet with proposals in the policy paper, and any amendment needed to the Act.

Other considerations for this policy

A critical factor in the development of the policy structure and then in the implementation of the policy should be to ensure that individuals do not "double-dip" by qualifying and receiving benefits from this programme and the Income Support Programme.

Consideration can be made to suspend the option of appealing a decision made on these pandemic applications. This would require an amendment to Part IV, section 31of the Act to state that applications specific to the pandemic would not have such option of appeal available to them.

Policy Description

Provide aid to households that are vulnerable but not eligible for direct income support, under the Income Support Programme.

GOV_00010644

Implementation of the Immediate Relief Package

Update Report

Moratorium on rental payments for businesses in Cyril Romney Tortola Pier Park (TPPL)

TPPL – Policy considerations

By the end of the 'soft' opening, seven businesses should be open, and all businesses in the TPPL are being strongly encouraged to continue their intense marketing efforts to the domestic market.

Based on consultations with the cruise industry, short cruises are scheduled to commence from October/November this year, but a commencement of long cruises have not been set as yet. This has implications on the continued sustainability of the facility.

The cost of running the facility (Pier Park), along with fixed costs (such as dividends) must be considered in the implementation of any policy. TPPL is to determine the cost implications for any options decided within the proposal (including rent payments), and establish the level of financial assistance that TPPL may require.

Craft Alive – Policy considerations

There is a long history of payment arrears going back for years with respect to rental income with Craft Alive vendors. The balance on rental income as at 17th March, 2020 stands at $469,801.80.

An assessment of the arrears collection should be carried out every two months during the six-month period. Vendors who continue to not reduce their balances should not be given any concessions or monetary assistance.

Government is responsible for the maintenance of the rest-rooms, the property, and security for the facility. To facilitate the re-opening of Craft Alive, vendors should be responsible for obtaining the supplies needed for their individual businesses. Estimated loss in revenue would be $54,000 ($150.00 x 60 vendors x 6 months).

Meetings were held with TPPL on 4th May and Craft Alive on 5th May, and the reports for these meetings are attached.

Next Steps: Approval of proposals; Approval of Cabinet decision papers; PR campaigns for the domestic market, and implementation of the policies.

Policy Description

Proposed Policy

Six (6) months' moratorium on rental payments for businesses.

Revised Proposed Policy

TPPL:

50% payment for March 2020 rent; no payment of rent for April 2020; and 50% discount on rent payments from 1st May 2020.

Craft Alive:

Waiver of rent commitments for the next six (6) months effective from March, 2020.

Vendors must continue to pay their outstanding balances prior to March 2020.

GOV_00010645

Implementation of the Immediate Relief Package

Update Report

Small and Medium Enterprises Subsidy

Policy considerations

The Department of Trade and Investment Promotion and Consumer Affairs (DTIPCA) has prepared a policy document that shapes a proposal for assistance to small and medium enterprises (SMEs). This document presents a suite of policies aimed at mitigating the economic fallout due to COVID-19. The majority of the policies were already enshrined under the 'Policy Paper: **BVI Government's Policy Response to the Coronavirus Crisis**' approved by Cabinet.

In order to consolidate all assistance to be provided to small and medium enterprises and efficiently utilise our scarce resources, the Department would be advised to focus the policy paper on the provision of grants and guaranteed loans to these enterprises. The objective of the policy should be aligned with Government's objective for all the policies which is to ensure that persons are employed. In the determination of the value of the grants, considerations can be made for inclusion of wage subsidy to cover a percentage of workers' salaries for a period of time. The policy makers may also want to consider grants to businesses that are deemed essential to the sustainability of the domestic economy, such as construction, innovative technology, green tech and social services (including day cares). Expansion of grants to innovative businesses emerging from the needs of the public due to the pandemic may also be a consideration.

Within a couple of days, the Committee with the assistance of the Technical Task Force, would be working with DTIPCA to finalise features of policy (design clear objectives of the assistance, eligibility criteria, application form, identification of recipients, and options for disbursement). The costing of the grants/subsidy should be guided by the results of the various surveys in March and April, and polls conducted in May for businesses. In addition to the guidance from the survey, consultations with the private sector, and the SMEs would further strengthen the features of the policy.

This policy is part of the immediate relief package approved by Cabinet and as such, the path to implementation needs to be accelerated. On the other hand, the component of guaranteed loans of enterprises would form part of the medium to long-term economic stimulus measures.

Policy Description

Proposed Policy

Provide support to businesses and self-employed persons impacted by reduced business activity.

Assistance is conditional on a Labour Retention policy agreed between the Government and the business establishment.

GOV_00010646

Implementation of the Immediate Relief Package

Update Report

Free water access

Policy Update

This was among the first set of policies to be agreed by Cabinet. A report was received from the Water and Sewerage Department. For the period 19th March to 19th April, 2020 (30 days), 8 trucking services were utilised to deliver water to W&S customers. A total of 205,200 gallons of water was delivered at a cost of $5,005.00 and a trucking cost of $20,020.00. Around 85% of the water was delivered to the West, running from Cane Garden Bay to Sea Cow's Bay.

The total meter (piped) consumption over the 30 day period was 27,714,504 imperial gallons at a cost of $361,290.24. Almost 60% of this consumption occurred over the period 1st – 19th April, 2020. Revenue foregone from piped consumption and trucking of water for the period 19th March to 19th April was about $366,000.

It is projected that an estimated $507,000 in revenue from piped consumption and trucking of water would be foregone for the period 20th April to 1st June, 2020. Around 70% of this loss in revenue would occur over the period 1st – 31st May, 2020, and the total projected piped consumption could be $496,774.22.

Payment for water production over the period 19th March to 19th April, 2020 would be $2,028,387.20. The Department's monthly water production bill is on average $1,965,000. For the additional period from 20th April to 1st June, 2020, it is projected that the water production expense would be $2,725,645.20. Therefore, the total water production bill from 19th March to 1st June would be around $4.8 million. With additional associated expenses for water production of around $75,000 (trucking and other costs), the total expense for water production could be about $4.9 million.

Revenue is also being foregone from the sewerage aspect of the Department's work. Over the period of the policy, including the extension, the Department could be losing at least $31,000 in revenue.

Over 80% of the W&S Department's meters are being estimated, so the foregone revenue could be much higher than estimated.

Policy Description

Proposed Policy

Free water access provided the Water and Sewerage (W&S) Department for 30 days from 19th March, 2020, in the first instance.

Free water delivery to existing W&S customers in areas affected by interruptions in the water distribution network for a period of up to 30 days effective 19th March, 2020.

Revised Proposed Policy

The service of free water delivery continues for all customers of the W&S Department until 1st June, 2020.

GOV_00010647

Implementation of the Immediate Relief Package

Update Report

Additional resources to support the health sector

Policy Update

The Ministry of Health and Social Development (MHSD) has played a critical role steering the organisation and implementation of various measures to prevent the spread of COVID-19 in the Territory. To be able to fulfill this tremendous mandate, the Ministry has been provided with $14.43 million approved through several Cabinet decisions. A status report as at 14th May, 2020 was received by the Ministry of Finance (MoF) from MHSD to provide an update on the use of the approved funds. Of this allocated amount, $10.16 million or 70% has been spent or committed. The remaining $4.27 million has not been spent or committed.

From the first warrant of $2,989,992.24, a total amount of $1,892,882.93 (63%) has been spent or committed to date, with a remaining balance of $1,097,109.31. Grants were paid from this warrant to the BVI Health Services Authority (which included additional funds to purchase PPEs for various agencies), BVI Airport Authority, Ports Authority and the Tourist Board. Only the BVI Ports Authority has responded to a request to submit a breakdown and supporting documents to account for the funds disbursed. The BVI Tourist Board only collected their grant on the 8th May, 2020.

A second warrant was approved for $8,639,460, and of this total amount, $8,121,000 (94%) has been spent or committed to date with a remaining balance of $518,460. A decision was taken by MoF to disburse the funds to BVI Health Services Authority (BVIHSA) in installments, as needed. The Ministry is presently in negotiations with various vendors in an effort to procure additional supplies.

A total of $2.8 million was approved in the third warrant, with $2 million allocated to the food provisioning logistics programme, and $800,000 to house to house garbage collection and recycling. Of the $2 million, only a mere $10,500 (1%), and $132,404 (17%) of the $800,000 has been spent or committed. The MHSD is in the process of collecting invoices to ensure payment of the relevant bills under the food provisioning programme, which are in excess of $1.6 million thus far. Based on the invoices collected thus far, amounts owing to several vendors are in the major contract range. The direction/advice of the MoF has been sought to process these payments.

Policy Descriptio

Proposed Policy

Provide monetary resources for purchase of equipment, supplies, medications, health and safety mechanisms prevent the spread of COVID-19

Implementation of the Immediate Relief Package

Update Report

Price regulations on COVID-19 goods

Policy Features

A list of goods pertinent to reducing the spread of COVID-19 that should be subjected to price regulation was received from the Ministry of Health and Social Development (MHSD) (see attached list).

According to Section 117 of the Consumer Protection Act, 2019 the Minister can make amendments to schedules by way of an Order. In addition, under Section 119, the Minister is allowed to make Regulations to address pricing, but there is no provision specifically to address Price Control.

The Virgin Islands Constitution Order, 2007, Section 27 allows for the Governor in consultation with Cabinet to make Regulations to address situations such as a pandemic, and also to make provisions to allow such Regulations to be in place for the period of the pandemic. This would allow for price control for which the Consumer Protection Act, 2019 has no specific provision.

Policy options that can be considered are: (a) a waiver or lower percentage on duty for the list of goods identified; or (b) set minimum and maximum prices for List of goods identified. The first option would allow suppliers to offer more affordable prices to consumers, while the second option would mitigate price gouging. A Price Control Task Force can be used to conduct inspections of prices implemented on the list of goods identified. In addition, an administrative penalty provision (minimal red tape) included in the Regulations can serve to recoup some of the revenue loss from import duties under the first option.

Other considerations for this policy

To facilitate monitoring of compliance of the policy, a component that deals with penalties for non-compliance should be considered. Part III of the Consumer Protection Act, 2019 provides for complaints and investigations but would need to be amended to capture penalties for non-compliance.

If there are human resources constraints in on-site monitoring, then a reporting mechanism in which suppliers report pricing online at specified periods could be explored. The consumer should be made aware of the determined list and mechanisms in place for them to be able to make complaints. The next step is the preparation of a Cabinet decision paper.

Policy Descriptio

Proposed Policy

Regulate prices on goods pertinent to reducing the spread of COVID-19.

Objective of policy

To control any increases in the price of goods pertinent to reducing the spread of COVID-19.

GOV_00010649

Implementation of the Immediate Relief Package

Update Report

Commercial Banks lobbied to implement moratorium

Policy Update

Several consultations have been held with the six commercial banks, throughout March and April. Subsequent to these discussions, various moratoria were publicly advertised for individuals and commercial customers with the offers all sharing a common message of three months in the first instance and on a case-by-case basis. The Banking Association was approached in May with a revision to the initial request from a three month to a one year moratorium. The request also included the issuance of a one year waiver on the freezing and forfeiture of assets. This request was based on more recent data which is suggesting that the impact of the COVID-19 pandemic may be more protracted and deeper than initially projected.

The objective of this policy measure is to not only lobby the commercial banks to implement moratoria, but to provide a medium/mechanism through which individuals and businesses can have their concerns with the administration of the moratoria addressed. The Financial Services Commission (FSC) would be a key player in this medium/mechanism, and would be encouraged to have a structure in place to track the terms and conditions of the various moratoria.

Accelerated government payments to creditors

Policy Update

A meeting was held on the 7th May, 2020 between the Ministry of Finance (MoF) and the Treasury Department. It was stated that Cabinet endorsed expediting outstanding payments to creditors to ensure that there was liquidity in the economy. The Accountant General indicated that the Treasury Department has processed all vouchers received. She further stated that the problem with outstanding payments was emerging from the Ministries and Departments. To emphasise the urgency in the expedition of vouchers to the Treasury, the MoF sent out Financial Circular No. 5 of 2020 to Ministries and Departments to have payments settled in 15 days from the date of incurring the expenditure, or in keeping with terms of the contractual agreement. If a significant pick up does not happen shortly, another strategy would have to be developed to improve the process and ensure that vendors are paid. This process on this policy will be continued monitored.

Policy Description

Proposed Policy

Lobby commercial banks to implement moratorium for six months on principal and interest to individuals and commercial customers.

Proposed Policy

Accelerate outstanding payments to creditors to assist businesses' cash flow.

Appendix A – Implementation of Other Relief Measures

Implementation of Other Relief Measures
(In addition to Cabinet approved Interim Framework Document)

POLICY RESPONSE – GARBAGE COLLECTION
Cabinet approved the allocation of eight hundred thousand dollars ($800,000) to the HEOC from the Consolidated Funds for the purpose of the House to House Garbage collection and Recycling initiative. This initiative was introduced following the imposition of a 2 week, 24-hour lockdown of the Territory. This policy was implemented to assist residents with waste management during the curfew period. It was decided that the programme will be carried out on designated days in accordance with a Territory-wide schedule to be issued by the Waste Management Department, Ministry of Health and Social Development.
ALLOCATED FUNDS FOR POLICY RESPONSE = $800,000.00

POLICY RESPONSE – FOOD DISTRIBUTION PROGRAMME
Cabinet approved the allocation of two million dollars ($2,000,000) to the HEOC from the Consolidated Fund for the purpose of food provisioning following the extension, for 1 week of the initial 24-hour lockdown. The initiative was introduced to provide food to those persons who urgently needed supplies due to their inability to physically go to the stores because of the imposed curfew.
ALLOCATED FUNDS FOR POLICY RESPONSE = $2,000,000.00

POLICY RESPONSE – VIRTUAL LEARNING - LAPTOPS
Cabinet approved the waiver of the tender process to purchase 500 laptops for use by the Territory's students to facilitate online learning at a cost of $138,800. This initiative was implemented following an initial assessment by principals and a territory-wide survey which revealed that 400 parents indicated that they had no access to a device for the recommended online education programme planned for the Trinity Term. The Trinity Term commenced on 4th May, 2020 and some students are obviously disadvantaged not having access to a device to participate in the online education programme. The laptops should be issued utilising a loan programme to those students who do not have access to a device.
ALLOCATED FUNDS FOR POLICY RESPONSE = $138,800.00

POLICY RESPONSE – STAMP DUTY
Cabinet approved the waiver of the stamp duty tax to belongers wishing to purchase property during these challenging times. The initiative is a strategy being employed to re-energise and stimulate the economy by easing the financial burden to belongers. This initiative is only applicable during the COVID-19 period or other catastrophic events and only to belongers selling property to other belongers provided that the property is not resold or transferred to a non belonger within a 7-year period. Stamp Duty Tax paid prior to 7th May, 2020 shall be reimbursed.
POTENTIAL LOSS FROM POLICY RESPONSE = TBD

GOV_00010652

Appendix B – Meeting Reports

Meeting Report
BVI Social Security Board (SSB/NHI)
and
Government of the Virgin Islands Immediate Relief Implementation Committee
Wednesday 29 April, 2020 at 9:00 a.m.

In attendance

BVI Social Security Board (BVISSB)
Mr. Ian Smith, Chairman of the Board
Ms. Antoinette Skelton, Director
Ms. Lorie Freeman, Financial Controller
Mr. Evrette Fraser, Investment Manager

Government of the Virgin Islands
Mr. Glenroy Forbes, Financial Secretary
Dr. Marcia Potter, Permanent Secretary, MNRL&I
Mrs. Michele Richmond-Phillips, Committee Member
Ms. Sandra Brewley, Ministry of Finance, Macro-Fiscal Unit
Ms. Rasheda Hodge, Committee Member
Mrs. Rashida Glasgow, Committee Member
Ms. Teshonda Thomas, Ex-Officio Member

Summary of Meeting

1. The Financial Secretary welcomed everyone to the meeting and provided a brief overview of the Policy Initiative along with the purpose and task of the Immediate Relief Implementation Committee in response to the on-going pandemic of COVID-19 was provided to attendees.

2. The Director, BVISSB indicated that a matter concerning the differentiation between BVISBB and the National Health Insurance (NHI) based on the policy needs to be set straight. NHI is not a legal entity on its own, it is a division of the BVI Social Secretary Board. She indicated that the amendment to the legislation states that their financing and benefits are to be kept separate. There is an ongoing issue with the start-up funding for NHI which resulted in the entity commencing operations in the red. Under no circumstance can the BVISSB do a suspension of NHI contributions. NHI just last week settled ALL of its outstanding obligations up to December 2019 with Medical providers using a line of credit offered. The Medical Providers requested a meeting with the Minister to discuss outstanding payments. The entity currently owes medical providers for the months of January – April 2020. The slow pace at which payments are made is as a result of the NHI not having the funds available to settle these obligations. If a suspension is given, NHI will go bottom up or may result in medical providers requesting patients to pay when receiving services.

3. The Chairman, BVISSB reiterated the matter pertaining to the outstanding amount owed by Government for NHI's start-up funding. In addition, there is an outstanding amount pertaining to Government funded individuals who obtained medical treatment from private facilities, for whom the Government has not settled. As a result, Medical Providers have indicated that they may pullout of their agreement with NHI. He reinforced that there can be no suspension of contributions pertaining to NHI. The Director noted that the legislation needs to be amended.

4. A matter related to the reporting lines for SSB and NHI was mentioned. The Chairman indicated that NHI is reporting to one Minister and SSB is reporting to another Minister. Based on the legislation this is illegal and if the legislation has not changed, the reporting lines cannot work.

5. The SSB recommended that SSB contributions not be waived as this can impact an individual's future benefits. Businesses that are affected can defer contribution payments. The Director further informed that the SSB has observed that businesses have been making contributions even in this COVID-19 period. If the government takes a moratorium on its contributions, SSB contributions will drop $5 million. The SSB advised that the Government needs to be careful in what decision is made pertaining to SSB. The financials and the legislation of SSB need to be considered before any decision is made as this can impact the employee's future claims to benefits, both short and long term (short- maternity, age, etc., long-aged), as this may pose a legal matter for the SSB. The matter of deferral of contribution payments needs to be looked at on a case by case basis. If a blanket statement is made, persons the initiative is intended to reach may not benefit and persons who can pay their contributions may also take advantage although they can pay, therefore reducing SSB cash flow. The SSB indicated that they have done various models to see the outcomes under various scenarios.

6. The SSB indicated that they have also proposed a grant/loan to Government along with other initiatives like capital development projects to stimulate the economy. In that light, the SSB has considered other avenues, looked at the bigger picture and all variables through which they can assist Government in recharging the economy. However, SSB has to do this legally and within the financial constraints under which they currently operate.

7. In proposing the deferment of contributions, the Government needs to look at it from a holistic standpoint and provide advice under the gambit of the law. Persons who are not working do not have to pay as provided within the regulations. However, there are some businesses (employers) who initially indicated that they would lay off their employees but are now rethinking this decision and trying to maintain their employees for as long as they can, that business (employer) would be a good candidate for a deferment.

8. The SSB has explored various models (worse, medium and best case) and are knowledgeable of the impact. But employees would be the ones who would be more affected than the Board. After 8 weeks of unemployment (no contributions paid), employees would lose their eligibility for short term benefits. After 3 months they would not be eligible for NHI coverage. This was communicated to the Premier and Ministers of Health and Natural Resources, Labour and Immigration. The SSB has to maintain the solvency and viability of the fund.

GOV_00010654

9. The Director, SSB indicated that there are three sides of the situation that has to be considered, the employer, the employee and the sustainability of the fund. Based on the most recent actuarial review the SSB has to collect a certain level of contribution and invest it in order to obtain a certain return on the investment in order to maintain the sustainability of the fund. She indicated that the interest rate is dropping. The review also indicated that 5%-6% on the portfolio must be guaranteed every year, in order to maintain the fund's viability. It also highlighted that 2020/2021 contributions income should equal expenses and that if SSB does nothing at all the funds would be exhausted in the next 30 years (contribution and investment). Recommendation proposed by the study is that the contribution ceiling and the rate of contribution be increased in order to meet future obligations.

10. The SSB Director indicated that the Government should not offer a blanket moratorium. Businesses should be asked to apply; the applications dealt with on a case by case basis and if necessary a moratorium be given initially for a 3-month period with the option to extend, if their financial position does not improve within that time. However, they will have to reapply or commence paying at the end of the 3 month period.

11. Mrs. Phillips agreed with the SSB Director and indicated that the SSB must be able to track these businesses participating in the moratorium so that SSB can monitor when these businesses recommence contribution payments, as businesses can take advantage and exploit the situation.

12. The SSB has already implemented a number of educational campaigns to advise the public as to how they can continue making their contribution payments during this COVID-19 pandemic era and have also informed them that there would be no late fees charged.

13. The Chairman informed that the SSB had made the Hon. Premier aware, about 3 months ago, that the SSB does not have a fully constituted Board and decisions are hinged on a Board being in place. He indicated that this was also reiterated recently with Hon. Vincent Wheatley. The absence of a Board limits what actions can be taken, legally. Alternately, Cabinet can mandate decisions but we would rather avoid that route.

Action Points

NHI

1. No suspension of NHI contributions can be implemented as an immediate relief initiative for the following reasons:

    a. The total initial agreed amount for start-up funding of $11.5 million was never given to NHI. Only $5 million was given leaving an outstanding balance of $6.5 million owed.
    b. An outstanding bill is owed by Government ($18 million) for persons covered by them who have utilized Private medical facilities for treatment and not the BVIHSA. Therefore, the $42 million being sent through NHI to BVIHSA to cover the cost of medical treatment for persons

GOV_00010655

is not being utilized for this purpose. This is because these persons have been given the choice as to which medical provider (private/public) they go to for treatment.

c. NHI currently owes Medical Providers for January to April, 2020.

SSB

1. Persons who are not working are not required to pay any contribution. However, this may impact their access to short term benefits (e.g. maternity, etc.) and possibly their long term benefits, if they have not already met the minimum 500 required contributions (for age benefit).
2. For those businesses that have retained employees but maybe struggling to pay contributions a deferment/moratorium of contribution (similar to what the banks are offering) can be entertained.
3. A blanket moratorium should not be given. Businesses should apply and be dealt with on a case by case basis, and a suspension be given initially for 3 months. After which businesses reapply if they need an extension. Otherwise they should recommence contribution payments.
4. Recommended that Government look at the effects of COVID-19 from a holistic approach and not piecemeal.
5. SSB will forward an email to the Financial Secretary containing information pertaining to recommendations that were submitted to the responsible Ministry for onward submission to Cabinet for consideration and approval.
6. SSB does not have a fully constituted Board and therefore, certain decisions cannot be made. In the absence of a Board Cabinet will have to issue a directive to the Board, which is not advisable.
7. A public relations educational campaign is to be undertaken by the SSB to inform the Public on the way forward once a decision is made in relation to the policy initiative related to SSB contribution payments.

Prepared by Rashida Glasgow
Immediate Relief Implementation Committee
Ministry of Finance

April 30, 2020

GOV_00010656

Attachment
Comments from the Director of SSB on the Meeting Report

May 7, 2020

Mr. Glenroy Forbes

Financial Secretary

Ministry of Finance

Government of the Virgin Islands

Road Town, Tortola, VG1110

Virgin Islands (British)

Dear Mr. Forbes:

Please see my comments on the BVI Government's *Policy Response to the Coronavirus Crisis – Policy Paper* dated April 7, 2020.

Suspension of Contributions

I am assuming that '*suspension*' of contributions in this case means '*deferral*', and to be paid after the three (3) month period. Benefits are based on the number of contributions made. Three months or 13 weeks of non-payment of contributions could mean that the difference in one receiving a pension for life or a one time grant.

The suspension of NHI contribution should not be a consideration. Presently, NHI is four months behind in its payments to the Medical Providers. Some Providers have stated that they will ask their patients to pay the 100% of cost for service and the patient collect from NHI. The most recent (February 2020) financials for NHI show a cash balance of $2,591,417 and claims payable of $6,369,828.

Potential Loses

GOV_00010657

Our figures show that the lost for Social Security Board (not including NHI) is:

5 days $448,276

12 days $1.2 Million

17 days $1.7 million

Which means that the lost for NHI would be a little less than double.

Acceleration of Benefits

Pensions are intended to ensure that persons maintain a reasonable standard of living upon retirement. To allow persons to draw from pension now is '*kicking the can down the road*'. We cannot guarantee that persons will pay back any withdrawal when it is a known fact that most persons are not now willing to pay. Social Security was created on the premise that persons are myopic and do not save for retirement; thus, forced savings in the form of social security.

Additionally, this would create a nightmare for employers to make deductions in excess of the statutory requirement and an equal nightmare for social security to reconcile on a periodic basis.

Was the fact that all unemployed persons do not qualify for a pension and some do not contribute considered?

This recommendation goes against **ALL** pensions and social security best practice that I know of.

Special Capital Investment

The contract for the construction of the Joes Hill Manor is being finalized by the attorney and it should be signed shortly.

It is also anticipated that construction on Social Security Board's new headquarters will commence in the third quarter of this year.

Short-Term Loans to SME's

The Social Security Board is willing to provide loans to Government at very soft rates for on-lending to SME's.

General

It appears to me that the recommendation did not consider the purpose for which social security was created or the long-term sustainability of the Fund. Also, we need to be mindful of how social security's role will affect the rest of the economy.

Except for the budget capital expenditure, all other moneys would have to come form the Certificate-of-Deposits in the local banks. This could cause a liquidity problem, if not for the international banks, certainly for the National Bank of the Virgin Islands.

I must again reemphasize the Actuarial projections of Social Security Board Fund for your consideration:

1. Total expenditure will first exceed contribution income between 2020 and 2022.
2. Total expenditure will exceed total income between 2032 and 2045.
3. The Fund will be depleted between 2050 and 2071.
4. The pay-as-you-go rate, or the rate required to produce just enough contribution income to meet total expenditure when the Fund is depleted, will be between 17% and 21%.

Regards,

Antoinette Skelton

Director

AS/yt

Meeting Report
Inland Revenue Department
and
Government of the Virgin Islands Immediate Relief Implementation Committee
Wednesday 29 April, 2020 at 3:00 p.m.

In attendance

Inlad Revenue Department
Commissioner, Mrs. Karen Aaron
Deputy Commissioner, Mr. OrrisThomas

Ministry of Finance
Mr. Glenroy Forbes, Financial Secretary
Mr. Jeremiah Frett, Committee Member
Mrs. Michele Richmond-Phillips, Committee Member
Mr. Emery Pemberton, Ministry of Finance, Macro-Fiscal Unit
Ms. Rasheda Hodge, Committee Member
Mrs. Rashida Glasgow, Committee Member
Ms. Teshonda Thomas, Ex-Officio Member

Summary of Meeting

1. Mr. Frett introduced Mrs. Michele Phillips to open the discussion on the policy proposal. Mrs. Philips read Cabinet's decision as the suspension of employee and employer portion of payroll taxes for 3 months conditional on a labour retention agreement, targeting the tourism sector.

2. First concern made by Mrs. Aaron was to understand the intentions of the policy and what would be required of IRD besides not collecting taxes. Mrs. Phillips inquired about the capability to track activity between and coming out of the specified 3 months.

3. Mrs. Aaron stated that if businesses are not operating then their submissions should be nil which automatically exempts them from paying taxes.

4. Mrs. Aaron also questioned why specific sectors are being targeted when the impact is being felt throughout the Territory. Mrs. Philips indicated that this was the initial response to the decision by Cabinet to suspend cruise ships to the Territory. However, as activity has come to a halt across the Territory, it was recommended that the scope of the policy be widened to cover more (or all) sectors.

5. The discussion then went into clarifying if this policy is to be applied to employees or employers. Mrs. Aaron went on to question the fairness of such a policy where employees in a specific sector receive full salary without taxes as compared to those that do not have a job. It was recommended that the policy be applied to employers not employees if geared towards employee retention. A further recommendation was given that persons who receive full salary should continue to pay taxes, whereas persons who are on half or reduced hours not pay full taxes.

6. Mr. Pemberton then questioned if this policy would contribute to employee retention. Mrs. Aaron indicated that there are a number of external factors that could cause businesses to downsize, including an expected decrease in revenue for the businesses. Also noted was the difficulty in seeing how such a policy of this nature would make a significant impact, as the benefits may not reach the impacted/intended households. Other notable points are that the policy would be difficult to manage and account for the benefits due to problems with the current tax system.

7. Mr. Frett questioned if a business was not in good standing at the time of COVID-19 if it would be able to benefit from the policy. Mrs. Aaron replied that persons should be in good standing. Many small businesses do not submit, and as such would not be in good standing, but this policy if opened to these businesses would result in many delinquent businesses applying.

8. In relation to cost implications, it was stated that there would be more impact on the expenditure side. There would be the need for increased man power and also the need for a new system in order to monitor effectively. It was further stated by Mr. Frett that the Ministry of Finance is aware of the challenges in relation to the system. Mrs. Phillips emphasized the need for the challenges to be communicated in the Cabinet paper to manage expectations. She further highlighted that this may be an opportunity to get things in place as Cabinet would be aware of the cost implications.

9. Mrs. Phillips inquired about the ability of a new system in being able to address questions from the Standing Finance Committee Meetings in regards to Accounts Receivable. Mrs. Aaron gave a brief history of her experience and challenges encountered in the ability to provide accurate information.

10. Mr. Frett inquired if it is reasonable to waive the penalty fee for businesses, if they do not file. Mrs. Aaron made it clear that businesses must SUBMIT their tax returns, although employees are not being paid or for employees retained taxes are suspended for the three-month period, as is currently required, with the return indicating zero. Suspension of the taxes does not remove this requirement. There is an internal control which facilitates an automatic waiver of late fees.

11. Mrs. Phillips asked if the policy could be retroactive to mid-March. Mrs. Aaron recommended the policy commence from April 1st. 2020. It was also recommended that this policy be done across the board as all employees have been affected by the shutdown and reduced hours.

12. Another important point Mrs. Aaron raised was that businesses have not filed any returns since the lock-downs. The March returns will be expected in May, while April returns would be in June. With the Department being closed due to the lock-down, it has not been able to assess the impact on collections.

13. Mrs. Aaron stated that the policy being done by classes would be problematic. A suggestion of a case by case strategy should be considered using a relevant criterion.

Action Points

1. Committee to facilitate amendment of the Legislation, specifically the coverage and time frame of exemptions;
2. Committee to assist and guide the Department in the preparation of a Cabinet decision paper on the implications of the policy in terms of cost and how it would be operationalized. Also to be included is the need for a new system as there are a number of limitations in being able to report on any policy actions taken cabinet;

3. Assist the Department in organizing a public relations strategy working with the Department of Information and Public Relations (GIS) to inform the public about the policy; and

4. The Department rolls out the policy with the assistance of the Ministry of Finance.

Prepared by Emery C. Pemberton
Immediate relief Implementation Committee
Ministry of Finance, May 1st, 2020

GOV_00010662

Meeting Report
BVI Electricity Corporation
and
Government of the Virgin Islands Immediate Relief Implementation Committee
Thursday 30th April, 2020 at 9:30 a.m.

Attendees:

BVI Electricity Corporation
Mr. Leroy A.E. Abraham, General Manager/CEO, BVIEC
Mrs. Rosemarie Flax, Chairman, BVIEC Board
Mrs. Carmen Sully, Financial Comptroller, BVIEC

Government of the Virgin Islands
Mr. Glenroy Forbes, Chairman of Committee/Financial Secretary, Ministry of Finance (FS)
Mr. Ronald Berkeley-Smith, Permanent Secretary, MTWU
Mrs. Carolyn O'Neal-Morton, Permanent Secretary, Premier Office
Mr. Jeremiah Frett, Committee Member, Ag. Deputy Financial Secretary
Mrs. Michele Richmond-Phillips, Committee Member, Ministry of Finance
Mrs. Rashida Maynard-Glasgow, Committee Member, Internal Audit
Ms. Sandra Brewley, Ministry of Finance, Macro Fiscal Unit
Ms. Teshonda Thomas, Ex-Offico Member, Ministry of Finance

Policy Description: No electricity disconnections for 3 months for customers in payment default from March 2020 in the first instance. Customers with ability to pay should still pay. Payment plans to be arranged after to bring accounts up to date.

Opening Remarks:

1. The Chairman (FS) welcomed everyone to the meeting and provided a brief overview of the Immediate Relief Implementation Committee mandate and the policy initiative relative to BVI Electricity Corporation (BVIEC) in response to the COVID-19 pandemic.

Recommendations:

2. Mrs. Flax informed the meeting that the Premier requested a plan from BVIEC and they have completed the review of their financial statements and put forward two recommendations which appeared not to have been accepted. She further stated that

a third recommendation was put forward which can be the subject of discussion at this meeting.

3. The Chairman asked Mrs. Flax to outline the recent recommendation submitted. Mrs. Flax responded that the proposed recommendation is no customer billing for one month and Government to absolve 50% of the payment for those persons who could not afford to pay. She further stated that the issues with the recommendation are determining who could not afford to pay; and how affordability would be assessed.

4. Mrs. Flax stated that the solution was to solicit the help of Social Development to determine affordability (not sure if the plan was accepted). She further stated that BVIEC may be able to take it to two months upon looking at their projections but noted the Corporation was not in favour of extending deferred payment to three months (but have not had a response). The Chairman noted that they did not have sight of what BVIEC had submitted to the Premier and stated that what is agreed in this meeting will be reported to Cabinet.

5. Mrs. Flax noted however, that the recommendation was based on Government's commitment to its monthly payments as it is known that Government is in arrears and BVIEC is concerned as to whether they will be able to meet their end of the agreement. She further noted a historical issue of delinquent customers and also noted that there are customers that are currently in payment default even before March. Mrs. Flax then suggested that a better recommendation would be to extend the payment period being considered by one month.

6. Mrs. Flax continued the discussion of the recommendation and stated that the Board stands by the recommendations made. She stated that the first recommendation made was to give a 50% discount on one month with Government to absolve the other 50%. She then stated that if the first recommendation is not affordable then the second recommendation can be considered (an extension on the payment period for two months).

7. Mr. Abraham in addressing the policy description in relation to the customers in payment default from March. He explained that the BVIEC has dealt with a historical issue where not every customer pays their bills or pays them on time each month.

8. Mr. Abraham explained that the difficulty with the recommendation to Government is having a sound and transparent system in determining who actually needs help from who does not. He noted that albeit credit is extended to those customers who cannot afford to pay, a payment deferral plan would compound the situation for those

customers when things return to normal and they have to liquidate months of unpaid electricity bills.

9. Mr. Abraham noted that the variation surcharge has been reducing due to the global price of oil but due to persons being at home (for the lockdown) they are using more electricity which will result in an increase in bills. Mr. Abraham further noted that due to the uncertainty as to how long COVID-19 will last an extension on the deferred payment period could further compound the problem and have it snowball (e.g. a person could end up with six months of bills to be paid).

10. Mr. Abraham stated that a sound and robust system is required to identify clearly those persons that need help. He further supported Mrs. Flax position that a three month payment deferral would compound BVIEC's existing issue of delinquent customers and customers in arrears. Mr. Abraham explained that taking such a position would result in BVIEC customers not being able to liquidate their debt.

11. **The Chairman summarized the recommendation as follows:** Customers with the ability to pay be encouraged to pay. BVIEC is to make a one month deferral of the payment period available to Customers and those who are unable to pay will be referred to Social Development who will conduct an affordability assessment on a case by case basis. The assessment will guide Government's decision on how to address those identified as needing assistance with their bills. Notice to be sent out to Customers about the availability of facility but encouraging those who can pay to do so.

12. The Chairman noted however, that Government has to retain some level of cash and cannot say if Government can do the 50% supplement for customer bills (given the uncertainty as to how long COVID-19 will last and its impact).

<u>Concerns:</u>

13. Mr. Abraham stated that the full recovery of BVIEC following the 2017 hurricanes is inextricably linked to the full recovery of the Territory. He further stated the prior to the 2017 hurricanes they had approximately 16,500 customers and now they are down to approximately 14,000 (number of customersrecovered). Mr. Abraham stated that COVID-19 further compounds things as the Corporation is now in a position of managing its business with reduced revenue but fixed expenses. He further noted that the 2020 hurricane season is near.

14. Mr. Abraham explained that in March the power being utilized by the territory was peaking at 27 to 28 megawatts during the third week and then during the lock down the demand went down due to the lack of commercialization. The demand reduced to 21 megawatts (loss of 6 to 7 megawatts) which will affect revenue. He further stated that with the phase introduction of the local economy and recognizing the impact that COVID-19 will have particularly in the tourism sector, the BVIEC's concern is the continued viability of the organization to sustain itself with further reductions in revenue and the inability of customers to pay their bills.

15. Mr. Abraham stated that they would need a commitment from Government with regards to the amounts that Government incurs on a monthly basis to ensure those remain current so that BVIEC can stay viable.

16. The Chairman stated that he has worked diligently on addressing Government's arrears to BVIEC and thought that an appreciative dent was made in those arrears in addition to mechanisms put in place to allow for Government to stay current. He further stated that Government prior to COVID-19 managed their cash flow quite well and they have not had to use their CIBC line of credit.

17. The Chairman stated that he will have to find out why bills are not being paid. Mr. Abraham noted to the Financial Secretary that under his (FS) leadership there has been significant improvement in Government's payment practices in addressing its liabilities with the BVIEC. He further stated the new Government administration has supported the liquidation of Government's liabilities with BVIEC.

18. Mr. Abraham however stated that the issue that remains is the timeliness of the payments made by Government but noted that they are being made. He again noted that recognizing the 2017 hurricanes and now COVID-19 as compounding factors, stated that BVIEC cannot afford at this stage to have delayed payments for non-payments. Mr. Abraham explained that they are also experiencing delayed payments with some statutory bodies and requested Government's assistance in bringing them current.

<u>Solutions:</u>

19. Mr. Abraham stated we are in this together and BVIEC will not place itself in a position where they have to lean on Central Government. He further stated that they are seeking Government's assistance to ensure that Government continues to dispense its liabilities and to improve in terms of timeliness of payments being made.

20. Mrs. Flax added that BVIEC has been working responsibly and prudently and is of the view that they would need to have funding available for the upcoming hurricane season to, for example, build back the grids in the event they are damaged. She informed that they have begun to develop an application form for persons who might be experiencing difficulties in paying their bills on time. This application was included in a letter to the Premier dated 31st March 2020 which also outlines what they propose to do in response to COVID-19 (this would assist the committee with the report to Cabinet). Mr. Abraham will forward a copy to the Financial Secretary.

21. The Chairman stated that one of the recommendations coming out of the task force was for Government to make timely payments to its creditors especially during this time. He further stated that he has instructed the Treasury Department and the Budget Unit within the Ministry of Finance of the timely processing of purchase orders and submission to Treasury in a timely manner.

22. The Chairman requested comments on the proposed approach to the policy and noted that such approach has to strike a balance between the relief afforded to the customer and BVIEC not being out of pocket. He further stated that Government has to make a decision about making good on the arrears incurred with BVIEC.

23. Mr. Smith-Berkeley agreed with the practical way proposed by the Chairman on the policy and added that a bulletin should be sent out to the public with the relief being offered and the procedure. The Chairman stated that once the mechanics is worked out, then BVIEC can inform their customers of the payment policy for COVID-19 and encourage those who can pay to do so. He further stated that those needing assistance in meeting their obligations would then be referred to Social Development for an affordability assessment.

24. The Chairman stated that the Premier wants the territory to know that the facility is available and accessible to the people of the territory but does not want the system to be abused.

25. Mrs. Flax noted the class of persons (the self-employed business persons) are no longer employed and may not become employed anytime soon due to the closure of their business (fragile prior to the pandemic) as a result of COVID-19.

26. Mrs. Flax inquired whether the agreed policy would have to go back to Cabinet before they can proceed to roll it out. The Chairman stated no and further stated that

what is being agreed is not a variation from Cabinet's decision. He however, noted that the Committee is mandated to report to Cabinet every two weeks (next report due 11th May) on the agreed policy, measures, other long term measures and possible costing.

27. Mr. Abraham inquired as to how feasible it would be for the Committee to have a meeting with Social Development Department, BVIEC and GIS (Director of Communication) within the next 4 to 5 days to discuss the mechanics of the agreed policy discussed today. The Chairman responded in the affirmative and instructed Michele to arrange the meeting. Mrs. Richmond-Phillips noted that a Cabinet Paper will have to be drafted that outlines how the policy will be implemented with the several immediate relief measures as attachments.

28. Mrs. Richmond-Phillips inquired whether BVIEC has conducted any scenarios or projection analysis targeting a particular group to determine how much revenue they may potentially lose from assisting that group. Mr. Abraham responded that they have not done so and explained that it would be difficult for them to do so because they do not know the occupation of their customer base. He further stated that the involvement of the Social Development Department would be key and critical in identifying those in need to establish a robust and transparent system.

29. Mr. Abraham continued to explain that based on usage demand they know that there has been a substantial reduction due to the non-existence of commercial activity during the lockdown period. He added that the demand may return but noted that the issue of the inability of customers to pay remains.

30. Mrs. Richmond-Phillips inquired about the relief BVIEC intends on offering to their business sector customers. Mr. Abraham responded that due to the closure of businesses those customers would not have incurred usage and therefore they would not have incurred liabilities. He further stated that they would have to look at the classification of their business customer base and their ability to pay and address at the next meeting. Mrs. Richmond-Phillips noted that the BVIEC would realize a fall off from businesses that have closed and those temporarily closed.

31. Mr. Smith-Berkeley noted that a lot of persons have still not recovered from the 2017 hurricane and inquired about the new customer base projections. Mr. Abraham responded that those statistics can be made available at the next meeting. He further stated that after BVIEC finalized the restoration, the customer pool was just under 14,000 as of March 2018 and from March 2018 to present the customer pool now stands at approximately 15,000 (majority are customers who have repaired/rebuilt

their premises in order for reconnection). Mr. Abraham noted that they have not seen robust construction industry in terms of new buildings and requests for construction meters.

32. Mr. Berkeley-Smith informed that a concern is how much of the money is getting down to the grass roots (projects etc.). The Financial Secretary stated that one of the focuses should be job retention and job creation to ensure that money gets to the ordinary person. He further stated all Government programs and initiatives should have this as an objective.

33. In support of what the Chairman said Mr. Abraham stated that management has decided to prioritise the Corporation's various commitments, recognizing that the borders are closed. He further stated that they have to play their part in stimulating the local economy based on the injection of capital, and prioritize our commitments to various local suppliers so that there can be continuity of business and jobs.

34. The Chairman concluded that the next step would be to schedule the agreed meeting with Social Development and GIS to work out the mechanics of the recommendation agreed for BVIEC.

Meeting Adjourned

AGREED RECOMMENDATION
Customers with the ability to pay are encouraged to do so. BVIEC is to make a one month deferral of the payment period available to Customers. Those customers who are unable to pay will be referred to Social Development who will conduct an affordability assessment on a case by case basis. The assessment will guide government's decision on how to address those identified as needing assistance with their bills. Notice to be sent out to Customers of the availability of facility. (Ref. Para. 11)

Assigned Task from the meeting held between the Immediate Relief Implementation Committee and BVI Electricity Corporation on 30th April 2020

Reference (in Minutes)	Responsible Person/Parties	Task/Considerations	Due Date/Status
Para. 15 & 16	MOF	Ensure that Government continue to dispense its liabilities and make improvements in the timeliness of payments;	
Para. 16	MOF	Ensure that Government makes a decision on the settlement of any outstanding arrears to BVIEC;	
Para. 20	BVIEC	To forward letter addressed to Premier dated 31st March 2020 that outlines the proposed intentions of BVIEC in response to COVID-19;	6th May, 2020
Para.27	Committee	To arrange a meeting within the next 4 to 5 days with BVIEC, GIS (Director of Communications), Social Development Department;	Tentatively set for 6th May, 2020
Para. 30	BVIEC	To examine the classification aspect of their business customer base in relation to their ability to pay and report at the next meeting;	Next scheduled meeting
Para. 31	BVIEC	Present statistics on projected new customer base;	Next scheduled meeting

GOV_00010670

Meeting Report
BVI Electricity Corporation, Social Development Department
and
Government of the Virgin Islands Immediate Relief Implementation Committee
Thursday, 7th May, 2020 at 3:00 p.m.

Attendees:

BVI Electricity Corporation
Mrs. Rosemarie Flax, Chairman, BVIEC Board
Mr. Leroy Abraham, General Manager/CEO, BVIEC
Ms. Carmen Sully, Financial Controller, BVIEC

Government of the Virgin Islands, Ministry of Finance
Mr. Glenroy Forbes, Chairman of Committee/Financial Secretary, Ministry of Finance (FS)
Mrs. Carolyn O'Neal-Morton, Permanent Secretary, Premier Office
Mr. Jeremiah Frett, Committee Member, Ag. Deputy Financial Secretary
Mrs. Michele Richmond-Phillips, Committee Member, Ministry of Finance
Mrs. Rashida Maynard-Glasgow, Committee Member, Internal Audit

Social Development Department (SDD)
Mrs. Annie Malone-Frett, Chief Social Development Officer
Mrs. Stacie Stoutt-James, Ag. Deputy Chief Social Development Officer
Ms. Scherrie Griffin, Social Worker

Policy Description: No electricity disconnections for 3 months for customers in payment default from March 2020 in the first instance. Customers with ability to pay should pay. Payment plans to be arranged after to bring accounts up to date.

Summary of Meeting:

1. The Chairman (FS) welcomed everyone to the meeting and provided a brief overview of the Immediate Relief Implementation Committee mandate and the policy initiative relative to BVI Electricity Corporation (BVIEC) in response to the COVID-19 pandemic. He highlighted the need for the involvement of the Social Development Department and the reason for meeting with them today.

2. Mr. Abraham indicated that we do not want customers to be accumulating charges over the 3 month deferment period then at the end of the period, another issue presents itself whereby these persons cannot pay the outstanding charges. He indicated to avoid this, a limit needs to be placed on each customer who cannot pay (requires the deferment) in order to control bills growing to an exorbitant amount. He suggested an amount of $200.00 per month. Disconnections should be based on an assessment of the customer's ability to pay their bill. He stated that an application form was created by BVIEC for the

implementation of this policy, and would like SDD to review the form or may have another form. He also highlighted that within a couple of months we would be approaching the summer months and during these months electricity consumption tends to increase as customers are at home more and utilize air conditioning to keep cool.

3. He further pointed out that another situation could arise when it comes time to settle the outstanding balance accumulated at the end of the 3 month period. Mr. Abraham indicated that the Corporation has large outstanding balances on bills. Taking this into consideration, he indicated that it should be made clear to customers that arrears prior to the first lock-down would be the responsibility of the customers, not the Government or the Corporation. He stated that BVIEC has a large customer base of persons living in apartments but the customer account for the individual is in the landlord's name and not the tenant's name. If these individuals accumulate sums on these accounts and the account in the landlord's name then it places the liability on the landlord to settle the amount.

4. He added that if the programme is to be implemented, BVIEC will transfer the account name from the landlord's name to the tenant's name (individual applying for the deferment). He further informed that there is usually a fee attached to the transfer of the account name and the person applying for the transfer would be required to make a deposit of the average of 2 months bills. He indicated that the Corporation is willing to waive these fees for this policy action.

5. The Financial Secretary informed that the starting point when the initiative will take effect will be from the first lockdown the Territory was placed on which was on **March 27th, 2020**.

6. The Financial Secretary reiterated that Cabinet's purpose for implementing policy response to the COVID-19 Pandemic was to avail all persons the opportunity to afford the basic necessities of life (food, clothing, and shelter).

7. The expected outcome or result of the policy is that BVIEC does not disconnect customers during the approved 3 months period. However, he indicated that we needed to ensure that the programme is not abused and if possible Government assumes paying the outstanding bills at the end of the moratorium, at a discounted rate.

8. He stated that the Income Support Programme includes a component for electricity along with rent and food. The current Public Assistance Programme in some cases provides assistance for payment of electricity, but this payment is done directly by SDD not the

client. In these situations, it was suggested by the FS that these clients be given a top-up if the allocation was insufficient to pay their bills.

9. To clarify Ms. Griffin's question on whether the policy was a suspension or moratorium, the FS stated that the policy was no disconnections for 3 months up to 6 months. But, those customers that can pay should pay their bills. While, those who can't pay the Government and the BVIEC would decide how to deal with these bills. But the assistance of SDD is being sought to avoid abuse of the policy response.

10. Ms. Griffin provided a summary of the income support programme. It was proposed that this be a cash based programme based on a minimum economic basket, the number of persons in the household, and focuses on persons who would have been employed and lost their jobs. It was proposed that the person decide how best to spend the support on their bills. The programme doesn't cater for the elderly and other vulnerable groups, but some of these groups form a part of their existing public assistance programme. Some discussions ensued as to how the policy can assist the elderly and vulnerable groups.

11. The FS indicated that persons enrolled in the Income Support Programme should not be involved in the electricity deferment programme. He informed that in order to avoid double dipping, the Income Support Programme list will need to be shared with BVIEC. The approval of the management of SDD would need to be secured for sharing of this list.

12. Mr. Abraham suggested that the process begins with SDD as they have the mechanisms and processes in place to conduct such an assessment.

13. Ms. Griffin communicated on behalf of Mrs. Malone-Frett that this may present an issue for SDD as they do not have the man-power to undertake the roll out of the Income Support Programme and the Public Assistance Programme at the same time. Although an existing Public Assistance list exists, another list would have to be prepared for the Income Support Programme and the administrative resources to accomplish this maybe stretched.

14. Mr. Abraham inquired whether the BVIEC programme could be administered under the Income Support Programme.

15. Ms. Griffin asked whether a list of delinquent customers could be shared with SDD to identify possible delinquent customers who are seniors. With this list the SDD would be able to validate with their existing public assistance programme list. Then, the policy can be possibly extended to these persons.

16. Ms. Griffin indicated that SDD has the existing Public Assistance Programme, but the Income Support Programme will cater for persons who recently lost their jobs and would be a new list that has to be generated. SDD may also have to consider persons who do not qualify for the Income Support Programme and may have to be added to the Public Assistance Programme.

17. Mrs. Phillips pointed out that the Income Support Programme will target those persons who recently became unemployed and the Public Assistance Programme is an already functioning programme. Ms. Griffin mentioned that the Income Support Programme will accommodate all persons residing in the BVI. However, the Public Assistance Programme is only reserved for BVIslanders, Belongers and Residents. She indicated that the Existing Public Assistance List can be sent to BVIEC but if the programme is to be expanded to accommodate more individuals then the list may need to be revised. Any additions will have to be means tested to see if they need to be added to the Public Assistance List.

18. Mr. Abraham proposed that it might be best for all persons who fall under the Income Support Programme and the Public Assistance Welfare Programme be a part of the BVIEC deferment of charges initiative, and for the funds allotted for electricity payment to be deducted for their assistance and paid directly to the Corporation. He indicated that the process should commence with SDD where they conduct the means test and approve applicants who are then referred to BVIEC for the rendering of the deferment. This may create a larger pool of funds for Government to utilize in other areas and reduce the risk of persons going out and abusing the programme or utilizing funds for unauthorized purposes. There is a need to create a deterrent to avoid abuse.

19. Ms. Stoutt-James inquired whether the cash assistance programme cannot be driven from SDD side as this will be done in phased approach to deal with the current public assistance programme and the second phase would be for households that have been COVID-19 affected. She further inquired at the end of the three months whose responsibility it will be to pay the accumulated bill.

20. Mr. Abraham indicated that the policy where BVIEC is concerned is geared towards those persons who have been affected by COVID-19, where they have lost their jobs or are not operative. He however, pointed out that at the end of the period a determination needs to be made as to who will be responsible for paying the accumulated bill.

21. Mrs. Stoutt-James indicated that SDD has already created an instrument to roll out the Economic Assistance Programme and through that programme the premise is that

persons will receive a three months payment that will assist them in sustaining their living.

22. The Financial Secretary inquired whether the three months payment was one lump sum payment for three months or if the amount will be giving in monthly installments. Mrs. Phillips and members from SDD indicated that persons were not going to be given one lump sum amount, and SDD has proposed that it be based on the house hold size.

23. Mr. Abraham re-appealed that persons not be advanced the portion for their electricity bills due to the risk that funds may not be utilized for the intended purpose. He indicated that he felt more comfortable if the funds are retained and paid directly to BVIEC for those persons in the programme.

24. Mr. Abraham continued and stated that if applicants are given funds to pay their electricity bills, then BVIEC needs to be notified as to who the persons are and that the funds be not advanced to them but paid directly to BVIEC. If this is done then the need for a deferment of electricity bills will not be necessary for these individuals. The only issue is if these customers/applicants bills exceed the allotted amount, how the overage will be settled.

25. Ms. Griffin responded that beyond SDD providing the list of approved persons, and the allocated amount being able to be applied to their household bill, more clarity is needed on how to deal with the issue where some applicants may not be the person whose name is reflected as a customer of BVIEC. She further inquired what lessons Government learned from the recent food distribution programme executed, to aid in charting the way forward with this current programme.

26. A proposal was made by Mr. Abraham that we increase the allocation from $60 to $100. Mrs. Phillips indicated that along with Ms. Kinisha Forbes they will look at the calculation for the allocation for electricity to determine what the amount will be. To avoid abuse by customers on the programme a CAP of $100 should be placed on the amount of the assistance. The consumption must stay within the CAP, the amounts above this limit would be discussed between BVIEC and the Ministry of Finance. However, as part of the PR persons will be encouraged to stay within the CAP, and that they are responsible for amounts above the CAP.

27. Ms. Griffin indicated that she is hesitant to agree to anything at this point as SDD has submitted a policy paper to the Ministry but the Department is not sure what the Ministry's position is on the policy paper. Therefore a decision will need to be made at Cabinet's level on what is approved.

28. Mr. Abraham indicated there is uncertainty as to what will be approved but tomorrow (May 8, 2020) BVIEC will forward the information that SDD needs to include on their application form. BVIEC needs to be made aware of the persons eligible for the programme.

29. Ms. Griffin informed that there are allotments given to persons specifically for electricity payment and there are persons who receive assistance for other living expenses which may include electricity. She indicated that for those persons who have requested assistance to pay electricity bills, their amounts are normally deducted and paid directly to the Corporation.

30. Ms. Griffin requested that the Ministry give Mrs. Malone-Frett, Mrs. Stoutt-James and herself 24 hours to meet and determine the best approach in rolling out this initiative considering the Income Support and Public Assistance Programmes. She reiterated that it requires a level of administration with receiving and verifying information. She reported that the Department is currently not seeing persons face to face and have resorted to having persons submit documents by taking screen shots of documents and submitting them to accompany their applications.

31. Ms. Griffin reported that SDD already submits direct payments to BVIEC for persons on the Public Assistance Programme. She indicated that if they wanted to look at particular groups it would be best to start with elderly persons or persons who live alone.

32. Mr. Abraham indicated that the programme puts BVIEC in a position to conduct a 'know your client' programme for its customer base. He indicated that BVIEC has a number of customers that live in apartment buildings but the account is in the landlord's name and not the tenant's name. He indicated that BVIEC does not have the ability to know their customer base.

ACTION POINTS

1. Finalization of mechanics of the initiative and a decision is to be made on whether the process begins at BVIEC or SDD. If it begins with BVIEC, then they complete the application form, bring a bill, and along with the name of the customer this information would be sent to SDD. If it starts at SDD, then BVIEC information would be part of income support form, then the applicant is sent to BVIEC, or allocation made by government for bill (limit considered).

2. Mrs. Phillips along with Ms. Kinisha Forbes from the Task Force is to determine the specific amount from the approved monthly allotment that will be designated for the payment of electricity. A suggested amount of $100.00 was indicated by BVIEC.

3. Decision to be made on whether the approved amount for electricity charges will be deducted from the allotment to applicants under the programme and paid directly to BVIEC.

4. If the monthly electricity charges exceeds for a customer/applicant exceeds beyond the designated amount, a decision needs to be made as to who will be responsible for paying the difference (Government or the customer). If the customer will be required to settle this amount then the customer needs to be informed and an agreement with the customer needs to be obtained so that it is clear as to who is responsible. If it is Government a discussion with BVIEC would need to take place after the moratorium period. Also, the CAP on the assistance needs to be clearly indicated.

5. Persons enrolled in the Public Assistance or Income Support Programmes should not be enrolled in the BVIEC deferment programme as the money being paid to them should be used to settle their accounts at BVIEC therefore not requiring a deferment. In order to avoid double dipping, the existing Public Assistance and Income Support Programme lists will be shared with BVIEC.

6. Persons on the existing Public Assistance Programme, such as the elderly and the vulnerable, and those living alone would benefit from the BVIEC policy, if this list is provided by SDD to BVIEC.

7. BVIEC to also provide a list of customers in arrears to SDD to facilitate a validation of the lists from the two programmes.

8. SDD to include a section on the Income Support Assistance Form for applicants to include their BVIEC customer account information and submit copy of their bill with the application. BVIEC to send the application form and/or required information for inclusion on the form to SDD.

9. Ms. Griffin requested that the Ministry give Mrs. Malone-Frett, Mrs. Stoutt-James and herself 24 hours to meet and determine the best approach in rolling out this initiative considering the Income Support and Public Assistance Programmes.

10. Implementation Committee to meet with GIS (Director of Communications) to inform on an educational campaign to roll out the policy initiative once finalized. The core components of the message should be a CAP, the balance after moratorium period is the customer's responsibility, arrears prior to 27th March, 2020 are the customers' responsibility, and an education campaign about the wise use of electricity.

Meeting Adjourned

Prepared by Mrs. Rashida Glasgow
Immediate Relief Implementation Committee
7th May, 2020

Meeting Report
Cyril Romney (Tortola) Pier Park
and
Government of the Virgin Islands Immediate Relief Implementation Committee
Monday 4 May, 2020 at 2.30 pm.

In attendance

Cyril Romney (Tortola) Pier Park (TPPL)
Mrs. Patsy Lake, Chairperson of the Board
Mr. Vance Lewis, Chief Executive Officer (CEO)
Mrs. Olivine Maynard, Acting Managing Director, BVI Ports Authority

Government of the Virgin Islands
Mrs. Carolyn O'Neal-Morton, Permanent Secretary, Premier Office
Mrs. Elvia Smith-Maduro, Deputy Secretary, Premier Office
Mr. Jeremiah Frett, Committee Member, Ag. Deputy Financial Secretary
Mrs. Michele Richmond-Phillips, Committee Member, Ministry of Finance
Mrs. Rashida Maynard-Glasgow, Committee Member, Internal Audit
Ms. Sandra Brewley, Ministry of Finance, Macro Fiscal Unit
Mr. Emery Pemberton, Committee Member, Ministry of Finance
Ms. Teshonda Thomas, Ex-Officio Member, Ministry of Finance

Summary of Meeting

1. The Acting Deputy Financial Secretary welcomed everyone to the meeting and apologized for the absence of the Financial Secretary who was attending another meeting. He then provided a brief background for the Policy Initiative along with the purpose meeting.

2. The CEO of TPPL stated that with the soft opening of the country there has been a slow re-opening of businesses at the Pier Park. Therapy Works opened first, but by the end of this week 6-7 businesses would be open after they are inspected. The jewelry stores will not be opened, but the Pharmacy, Dr. Turnbull's Clinic and Clothing stores are eligible to be open.

3. The CEO of TPPL informed the meeting that discussions have been held with Norwegian and Disney Cruise lines to establish timelines for return to the Territory. But, due to policies implemented by the United States Government, and the Centre for Disease Prevention and Control, a return date for these cruise lines could not be obtained. However, Carnival Cruises is scheduled to resume operations from August 2020. The official word emerging from the industry is that a October/November start for short cruises (running 3-4 days) is being planned. A statement on the return of longer cruises (7-8 days) is still to be announced.

4. The CEO of TPPL stated that even before the pandemic, management have been encouraging businesses to opening up their marketing more to the domestic market. This statement was further supported by the Chairperson of the Board.

5. The Chairperson of the Board indicated that a proposal was made that businesses pay 50% of the rent for March, due to the closure from March 14. Then, until the end of April no rent is charged, but from May 1 only 50% of the rent is charged. This was viewed by many attendees are a fair proposal.

6. The CEO stated that the cost of running the facility (Pier Park) needs to be kept in mind. He stated that because the facility was closed for an extended period of time and the birds made it their home, a massive clean-up was required. This took place with the gracious assistance of the BVI Ports Authority, whom he thanked through its Acting Managing Director. Also, the CEO indicated that there were fixed costs, such as dividends still to be honoured.

7. The CEO and the Chairperson of the Board reiterated that approvals were obtained for six businesses to re-open, and one business is still under review for re-opening by the end of the week. Management is encouraging eligible businesses to re-open, and have been assisting the businesses to ensure that they do open. It was noted that this in some cases came at a cost to the Facility.

8. The CEO stated that a proposal paper is being developed to be laid before the Finance Committee of the Board tomorrow, 5th May, 2020. This proposal would present scenarios in light of the pandemic. A copy of this proposal after presented to the Committee is promised to the Ministry of Finance on 6th May, 2020.

9. The Acting Deputy Financial Secretary asked who is responsible for the mortgage for the Facility, and he was told by the CEO that it is the BVI Ports Authority. He also suggested that from May 1 businesses who may continue to experiencing difficulty paying their rent that the option of a payment plan be considered.

Action Points

1. Obtain a copy of the Proposal made to the Finance Committee of TPPL on Wednesday, 6th May, 2020.
2. The Committee is to determine the cost implications for any options decided within the proposal, and establish the level of financial assistance (if needed) that TPPL may require.
3. Prepare a Cabinet decision paper on this policy incorporating the option chosen by TPPL from their proposal.

Prepared by Michele Richmond-Phillips
Immediate Relief Implementation Committee
Ministry of Finance

6th May, 2020

GOV_00010680

Webex Meeting with Stakeholders for the Policy Action

No Rental Payments for Craft Alive

Tuesday, 5th May, 2020

10.00 am

MINUTES

Chairperson - Mr. Jeremiah Frett, Deputy Financial Secretary

ATTENDEES:

Mrs. Janice Brathwaithe Edwards	-	MTWU, Wickhams Cay Authority

Government of the Virgin Islands

Mr. Jeremiah Frett,	-	Ag. Deputy Financial Secretary
Mr. Ronald Berkeley-Smith	-	Permanent Secretary, MTWU
Mr. Andrew St. Hilaire	-	Ag. Deputy Secretary, MTWU
Ms. Haley Trott	-	Ag. Deputy Secretary, MTWU
Ms. Rasheda Hodge	-	Committee Member, Ministry of Finance
Mrs. Carline Prentice	-	Committee Member, Ministry of Finance

ABSENT WITH APOLOGY:

Mr. Glenroy Forbes	-	Chairman of Committee/Financial Secretary Ministry of Finance
Mrs. Michele Richmond-Phillips	-	Committee Member, Ministry of Finance

- **Policy Description: Six-Month Moratorium on rental payments for businesses at Craft Alive**

1. Welcome/Opening Remarks

1.1 The Chairperson thanked everyone for joining this important meeting.

1.2 Mr. Frett gave apologies on behalf of Mr. Glenroy Forbes, Chairman of Committee/Financial Secretary, Ministry of Finance and Michelle Phillips who is the technical lead on the task force. Both of them are preparing for a next meeting and unable to attend this meeting.

2. Background

2.1 Cabinet assigned a task force whose responsibility was to review the impact that Covid-19 pandemic has and will have economically and fiscally on the Territory.

2.2 One of the areas impacted was Crafts Alive and as of 17th March, 2020, cruise ships stop calls to the territory. Crafts Alive depends heavily on the cruise passengers and to a lesser extent local patrons to sustain their businesses. But as a result of Covid-19 and the current curfew that was imposed both tourists and locals were not able to frequent those businesses.

2.3 There is a long history of payment arrears going back for years with respect to rental income with Craft Alive vendors. Various companies, persons and previous Governments have tried their best to address this issue to various degrees of success. For various reasons, the tenants claim reasons for not being able to pay and now Covid-19 has made this situation more complicated. Notwithstanding, Government is still looking to see what relief could be given to these tenants.

2.4 The purpose of this meeting is to see how best to address the issue of the Rental Income. The Chairperson said he is not sure if anyone did any study or analysis on how the impact of Covid-19 may have affected the businesses at Craft Alive, whether a loss of possible income or revenue from these businesses occurred over the period of time.

2.5 He stated that based on a previous meeting cruise ships may not be coming back anytime soon. Therefore what will be the potential impact and when will these businesses in Craft Alive be able to begin operations. First, they have to get permission from Government because of the social distancing requirements and guidance for sanitization, and also consider what rental income can be garnished from those businesses.

3. Discussion on the Impact of the Pandemic on Businesses at Craft Alive

3.1 The impact of Covid-19 on the world's economy is significant and there are varying recommendations/proposals on when they think the world economy will get back to some state of normalcy. Throughout the Caribbean, we depend heavily on tourism and even if they find a vaccine to deal with Covid-19, it will take a while for potential tourists to feel comfortable getting on an airplane or cruise ship to travel and come back to this territory. There might also be a lag in the ramping of the economy in respect to tourism, so when making decisions/recommendations this impact will have to be considered.

3.2 The Chairperson also noted he was not sure who is the lead with respect to Crafts Alive whether the Ministry of Transportation Works and Utilities (MTWU) or the City Manager, Mrs. Edwards. The Permanent Secretary, Mr. Smith-Berkeley said that the Ministry is in control and is responsible for this subject matter.

3.3 The Chairperson asked if someone can give any input on what is happening with respect to Crafts Alive and what incentives, if any, have been given for the Rental Income. PS, MTWU said no considerations have been given for the Rental Income.

3.4 To further answer the question, it was communicated that it would be best for Mrs. Brathwaite-Edwards to give an overview on the current situation with respect to Crafts Alive. Information on where they are at with their payments, if any vendors

made opposition known to her, in terms of them wishing to get a break on what they owed would be useful.

3.5 The City Manager, Mrs. Brathwaite-Edwards stated that with this COVID-19 situation many calls have been received from the vendors trying to figure out what Government is going to propose since their businesses have been closed since the middle of March 2020. She further stated consideration should be given to the fact that we are now heading into the slower months in which vendor~~'s~~ rentals would be $150.00 for the next six months beginning 1st May, 2020, and therefore no income would be coming in.

3.6 The payments up until the middle of March have been coming in; but it is not as steady as it should be. But she can honestly say that some vendors are making an effort to pay what they have outstanding. The balance on rental income as of 17th March, 2020 stands at $469,801.80 and there are a few vendors who have paid off what they had outstanding.

3.7 A question was asked, "What percentage of business activity comes from the local market and whether it was being implied that most business comes from the tourist industry"? Mrs. Brathwaite-Edwards answered yes that most business comes from tourism market.

3.8 Another concern was raised if it should be done for a period of time and then further assessed within 2 months in the first instance, then be reassessed after this period due to the uncertainty as to when cruiseships will resume calls to the Territory . It was stated that it is believed that 6 months as suggested in the moratorium might be too much and proposed 2 months at time in the first instance with the possibility of an extension upon review.

3.9 The arrears go way back and not sure what will be the responsiveness of these vendors to pay that back payment in light of no income coming in and with such uncertainty at this time. The Government can pursue collecting outstanding payments and see if the vendors are willing to pay.

3.10 Mrs. Edwards also mentioned that the lease agreements included provisions that addressed eviction, the obligations for the lessee to pay the any outstanding amounts and the power granted to Government to place padlocks on the rentals in default of payment.

Recommendation

The Vendors depend on the cruise ship industry to do the majority of their business. During what is called the soft season (May to October) consideration should be given to offering the vendors a six month moratorium on the condition that they continue to pay the arrears outstanding (such monies were due when businesses were open). When the season picks up, and evaluations can be done for monthly payments to resume but it is only fair that the vendors are asked to continue to make payments on the outstanding arrears.

4. Policy - Features, Cost implications, and its Effect on Operations

4.1 It was stated that Cabinet has asked us to consider the Policy Description of Six-Month Moratorium on rental payments for businesses at Craft Alive.

Recommendation - It was recommended that since the moratorium is for 6 months during the soft season that vendors should continue to pay and liquidate outstanding arrears.

4.2 The Chairman asked about the effects on business operations and without any income coming in; how do we propose to address the cost as Government continues to bear the operational cost on maintenance and security on the rentals.

4.3 Mrs. Brathwaite-Edwards said the rent has nothing to do with the maintenance or upkeep of the rentals. The Ministry is responsible for doing the general maintenance.

4.4 It was further explained that even though there will be a six-month moratorium, there should be an assessment after every 2 months on the outstanding arrears. Vendors should still be seeking to pay and that every 2 months during the 6 months period of free rent, an assessment will be done to see who has been paying on the arrears. This has nothing to do with the moratorium for 6 months.

4.5 It was further stated that the Committee understands that when the process of collection of the outstanding rent started, some vendors were able to pay off everything. It was reiterated that an attempt should be made to collect what is outstanding ($469,801.80) because these monies have been in arrears prior to this current situation and there are existing vendors who owed prior to 2012. Even though the fees have dropped considerably from when the process began (the outstanding was over one million dollars), it should not imply that the vendors could get away without paying the rents. The outstanding amounts need to be paid.

4.6 **Issues on Operations - Social Distancing -** Mrs. Brathwaite-Edwards said there is also the issue on what action will be taken on the social distancing requirement for the vendors at Craft Alive based on the fact that their businesses are very small.

It would mean besides the store keeper, only one (1) person can be in the store at a time. The turnaround period for sales will be drastically reduced especially when persons are rushing to get back to the ship.

4.7 Before the vendors can properly open Inspectors would need to inspect the properties and give guidelines as to what Vendors need to do to open their businesses with the social distancing and all the other new normal things that are required.

Action - The decision was made by Cabinet for the 6 months moratorium which would mean the wording will need to be revised on the report for the assessment of this policy action every 2 months by monitoring of Craft Alive. A recommendation needs to be made for Cabinet to make Amendments in some areas of the Policy Decision – to ask to continue collecting on the arrears outstanding.

It is important for an Income Analysis to be conducted for the six months moratorium on the cost implications. This can be done by the MTWU/Macro Fiscal Unit. There are no revenues to offset maintenance/utility cost. There is only one (1) central meter for water and electricity and Government absolves that cost.

5. Possible need for Financial Assistance

5.1 The Chairperson stated that as a result of COVID-19 there might be a need for financial assistance other than the rent for the vendors because the moratorium will assist in putting money in their pockets that they don't have to pay the Government.

5.2 If we agree that the Vendors should continue to pay the outstanding balances then the upkeep of sanitizing of the bathrooms will not be a problem. Payments for hand sanitizers and washing stations should not be an expense of the Government. In the past vendors were given a year break based on the floods and the two (2) hurricanes that affected the Territory in 2017. The vendors were given a break and each vendor received $2,400.00 that was taken out of their balances, so that they could move forward.

5.3 **Recommendation** - It was recommended that the vendors should take full responsibility in providing the necessary resources needed to operate their businesses, such as hand sanitizers and wash-stations for their business. The Government can look after the public restrooms and ensure that they are sanitized. Vendors need to buy their own sanitizers and run their business as business people, and Crafts Alive can take responsibility to power wash their business.

5.4 **Action** - A current statement of outstanding money should be prepared and sent to the Mr. Jeremiah Frett - Ag. Deputy Financial Secretary, along with a copy of the lease arrangements for vendors at Crafts Alive.

5.5 **Action** - At the end of the moratorium a serious decision needs to be made **about vendors** that can't or wouldn't pay. These vendors should be evicted and the space given to someone who is able and willing to pay, and who will assist us in bringing a different kind of diversity to Crafts Alive Market. The local population would be inclined to shop at Crafts Alive, if the variety and offerings were different. Locks need to be put on some of the doors because some vendors have no intention of paying despite being given letters and timelines by which they need to pay.

6. Next Steps

A brief synopsis of the meeting:

6.1 Every two (2) months review within the 6 months moratorium period.

6.2 Going back to Cabinet with a revised document with this recommendation.

6.3 Dealing with the Businesses coming out of COVID-19 and Vendors getting the necessary approval from Environmental Health with proper guidelines before business can reopen when the curfew is lifted.

6.4 Mrs. Edwards and team to look at social distancing aspects of the facilities and all the resources needed for cleaning and meeting the requirements.

6.5 No additional financial assistance at this time

6.6 Evict tenants who are not paying

6.7 Government is looking into giving relief to business and unemployed persons. A query was noted if tenants at Crafts Alive who are in arrears be given that monetary assistance? It was recommended that persons making these decisions should be aware of the outstanding owed to Government. Careful study should be considered to the small business situation as it relates to giving concessions to vendors at Crafts Alive who have not paid their rent.

Prepared by Carline Prentice
Immediate Relief Implementation Committee Member
8th May, 2020

Meeting Report
Treasury
and
Government of the Virgin Islands Immediate Relief Implementation Committee
Thursday 7th May, 2020 at 10:00 a.m. via Webex

In attendance

Treasury Department
Accountant General, Laurel Smith

Ministry of Finance
Mr. Glenroy Forbes, Financial Secretary
Mr. Jeremiah Frett, Committee Member
Mr. Ronald Emanuel, Budget Coordinator
Ms. Tiffany Todman, Budget Analyst
Mr. Emery Pemberton, Committee Member
Ms. Rasheda Hodge, Committee Member
Mrs. Rashida Glasgow, Committee Member
Ms. Teshonda Thomas, Ex-Officio Member

Summary of Meeting

1. Mr. Frett opened the meeting stating the objectives of the meeting was to find out if there were any backlogs of payments, and what can be done to accelerate payments to vendors.
2. Mr. Forbes brought forward the recommendation from the Task Force that was endorsed by Cabinet to expedite payments to vendors.
3. FS explained the rational as being a matter of ensuring that there was liquidity in the economy. He said it is important to get the economy going, and the Government should not hinder it in any way. In emphasizing the need to expedite the process, Mr. Forbes inquired as to what may be the issues besides cash flow that can hinder payment.
4. Ms. Smith addressed the question by stating that the problem would be that Treasury was not getting the vouchers from the Ministries and Departments to process. The Treasury Department has processed what they have received.
5. Mr. Forbes stated the need to get the vouchers into the Treasury expeditiously. Mr. Emanuel added that the Ministry of Finance sent out Financial Circular No. 5 of 2020 to Ministries and Departments to have payments settled in 15 days from the date of incurring the expenditure, or in keeping with terms of the contractual agreement.
6. Mr. Forbes stated that he is hoping that that there would be an increase in the processing of vouchers by next week. If a significant pick up does not happen by mid-next week he indicated that he would need to be notified so that another strategy can be developed. He then re-emphasized the point of Government payments to vendors being vital to the economy at this point.
7. In a discussion on other topics, Mr. Frett raised another issue of claims being made that the Government is behind in payment of bills outstanding to BVIEC.

GOV_00010687

8. Mr. Emmanuel verified that the bills at TSMU were processed and noted that some bills were late in coming in from BVIEC. He stated that he had to ask for bills to be submitted after directly communicating with the BVIEC.
9. In expressing his dissatisfaction with the issue of arrears to the BVIEC, Mr. Forbes implored that work should not be held up by officers. He stated that outstanding bills were cleared after "Irma" and that the practice of officers holding up vouchers was unacceptable.

Action Points

1. Monitor payments to vendors next mid-week, and if necessary, come up with new strategies to improve the process and ensure that vendors are paid.

Prepared by Emery C. Pemberton
Immediate Relief Implementation Committee
8th May, 2020

Appendix C

Table A- List of Items requested in response to COVID-19 Pandemic

No.	*Item*	*Comment*
1	Alcohol	
2	Anti-bacterial Foam hand cleaners	
3	Automatic Purell Dispensers	
4	Bath Tissue	
5	Biomed Cabinet	Used by HSA
6	Brooms	
7	Can liners	
8	Card stock paper	Used to print health cards etc.
9	Cleaning Cloth	
10	Bleach	
11	Disinfecting wipes	
12	Dettol	
13	Digital thermometers	
14	Disposable masks (surgical, N95) and reusable cloth masks	
15	Face shields	
16	Flip Chart pad	Used for training and presentations by EHD
17	Infrared thermometer	Used by EHD for Port Health
18	Garbage bags	
19	Gloves (latex, multipurpose)	

GOV_00010689

20	Glucometers	
21	Goggles	
22	Hand sanitizer Dispensers	
23	Hand sanitizer Refills	
24	Hand sanitizers	
25	Handi-wipes	
26	Hazmat suits	
27	Isolation gowns	
28	Liquid Soap	
29	(Lysol) Disinfectant Spray	
30	(Lysol) Disinfectat Wipes	
31	Mobile hand sanitizer stations	
32	Mops and Buckets	
33	NC sanitizing gel	
34	Paper towel	
35	Pine sol	
36	Plexi Glass	Used to erect sneeze guards
37	Protective Kits	
38	Respiratory Stations	
39	Reusable coveralls	
40	Sanitary Supply kit	
41	Short throw projector	Used by EHD for presentations
42	Soap	
43	Soap Dispensers	
44	Vinegar	

GOV_00010690

45	Vitamin C	
46	Disposable booties	Use by Public Health/EHD

Table B - Family Food Care Packages

In order to reduce food poverty and insecurity during COVID-19, the following food basket has been created for a family of five and duration of 8 days. Quantities were derived using recommended portion sizes. The nutrition content provided from this basket are as follows:

- total calories provided per person-> 2,000 kcals/day
- calories from protein → 10-12%
- calories from fat → 17%
- Micronutrients→ Vitamins A, iron, iodine and zinc

This was designed to meet the needs of the population rather than the individual. Fortified foods are added to meet the needs of the vulnerable population (i.e. young children, elderly, pregnant and nursing women).

Food Group	Item
Staples	2 pks slice Bread or 8 pks crackers 5 lb Flour 5lb Rice 3 pks pasta (any variety) 1 medium size box of cereal 1 medium size container of oats, Cream of Wheat 4lbs of starchy Roots, fruits and Tubers (Select any 2 based on availability) Irish Potatoes, Sweet Potatoes, Green Banana, Dasheen, Yams, Cassava
Food from Animals	Fresh 10bs Chicken 5 lb Fish (based on availability) 5 boxes/cans Milk 1 pk cheese 1 pk ground beef/turkey/chicken Processed & Packaged 4 cans fish (tuna, mackerel, sardines etc) 4 cans Vienna Sausage 2 cans Corned Beef
Fruits	10-15 fresh fruits (assorted based on availability - citrus Fruit, apple,

GOV_00010691

Food Group	Item
	grape, banana) 6 canned/dried/frozen fruits (assorted based on availability – mixed fruits, pineapple, peaches, fruit cup, raisins, prunes) 2 cartons/bottles of fruit juice
Vegetables	2 assorted fresh vegetables based on availability - ½ lb Pumpkin, 4 medium size carrots, 1 head of broccoli/cabbage, 1 head lettuce, squash 2-3 lbs package with tomatoes, Onion, Bell Peppers 2-3 bags/cans frozen or canned vegetables (Mixed Vegetables, peas and carrot)
Legumes & Nuts	4-5 cans assorted dried peas/beans (e.g. Kidney, pigeon peas, black eye peas, chickpeas, baked beans) 1 medium jar Peanut butter
Fats & Oils	1 small container of Butter/ Margarine 1 medium size bottle of oil 1 medium size jar of mayonnaise
Other	5 lbs Sugar 1 small/package container of salt 1 bottle of ketchup 1-2 cases water (24 count)
Non-food items	6pk toilet paper 1 pk hand towels 1 gal bleach 1 medium size pk toothpaste 2 bars of soap 1 small package powdered detergent 1small bottle dishwashing liquid 1 bottle disinfectant

COVID19

VIRGIN ISLANDS
SOCIAL SECURITY BOARD

P.O. Box 698,
Road Town,
Tortola, VG1110
Virgin Islands
Tel: (284) 852-7800
Fax: (284) 494-6022
Email: info@vissb.vg
Website: www.bvissb.vg

May 28, 2020

Mr. Glenroy Forbes
Financial Secretary
Ministry of Finance
Government of the Virgin Islands
Road Town, Tortola, VG1110
Virgin Islands (British)

Dear Mr. Forbes:

Government Request

I write in response to your letter dated May 25, 2020. In your capacity as Finance Secretary, on behalf of the Government of the Virgin Islands, you requested a grant in the amount of Forty (40) Million Dollars.

I am pleased to inform you that the Board approved the requested. The amount requested ($40 Million) subject to the following adjustments.

No	Particulars	Requested Amount US$	Approved
1	Establishment of a new fund, which will be created and managed by the SSB, for Unemployment and Business Interruption Relief, due to special circumstances such as the COVID-19 pandemic.	10 Million	10 million
2	Food Production (Agriculture and Fisheries) Grant to be administered by Premier's Office to boost these industries and assist with food security.	2 Million	2 million
3	Grants to local businesses affected by COVID-19, to be administered a team comprised of representatives of the Ministry of Finance, Premier's Office and Department of Trade.	7 Million	6.5 million
4	Stimulus grants to hotels and villas affected by COVID-19, to be administered by a team comprised of representatives of the Ministry of Finance, the BVI Tourist Board, Ministry of Health and Premier's Office.	1 Million	1 million
5	Government-guaranteed soft loans to local businesses at minimal interest rates to be administered by a team comprised of representatives of the	2 Million	0

	Ministry of Finance, the Department of the Trade and the Premier's Office, and coordinated by local banks, to assist businesses affected by COVID-19 .		
6	Housing repairs, materials, labour and reconstruction assistance to be administered by the Premier's Office and the Ministry of Finance to water-tight homes damaged by the 2017 catastrophic hurricanes, Irma and Maria.	15 Million	10 million
7	Other social needs related to COVID-19 to be administered by the Social Development Department churches Assistance to churches, daycare, private school.	1 Million 1 Million	1 million 1 million
8	Transportation initiative for the City and from Terrance B. Lettsome International Airport to approved quarantine areas in Tortola. Transportation initiative applies to the other Sister Islands as well.	1 Million	1 million
9	NHI	0 Million	7.5 million
Total		40 million	40 million

As stated in your letter that you will work with the Social Security Board to ensure proper accountability, transparency and good governance for the funds. Therefore, at a mutually convenient time we will meet to finalize the details.

Regards,

[redacted]

Antoinette Skelton
Director

AS/yt

cc: Hon. Andrew A. Fahie, Premier and Minister of Finance
Mr. Ian S. Smith, Chairman, SSB
Dr. Marcia Potter, Permanent Secretary, Ministry of Natural Resources, Labour and Immigration

GOVERNMENT OF THE
VIRGIN ISLANDS
Ministry of Finance

Government of the Virgin Islands
Central Administration Complex
#33 Admin Drive
Road Town, TORTOLA VG1110
VIRGIN ISLANDS

25th May, 2020

Mrs. Antoinette Skelton
Director
BVI Social Security Board
Road Town, Tortola
British Virgin Islands

Dear Mrs. Skelton,

Covid-19 Grant from the BVI Social Security Board

I write with reference to your email message of 22nd May, 2020 on the subject of Immediate Relief Implementation Report.

I must respectfully confess that following our meeting of 5th May, 2020 with the Premier, I thought that the Social Security Board's assistance to the Territory's fight against Covid-19 would have been targeted primarily towards the Immediate Relief measures proffered to the Cabinet of the Virgin Islands in the Coronavirus Economic and Fiscal Stability Task Force's Interim Report. It is therefore primarily under that understanding that I sent you the "Implementation of the Immediate Relief Package – Update Report" by the Ministry of Finance's Covid-19 Implementation Committee.

Be the above as it may, I am directed by the Premier and Minister of Finance, Hon. Andrew A. Fahie, to request from the BVI Social Security Board, through you, a grant in an amount not less than $40 million. The Premier has further directed that I as Financial Secretary work with your Board to ensure the proper accountability, transparency and good governance for all funds that are so granted. The intended use/purpose of the grant are broadly outlined in the below table.

Tel: (284) 468-2144 Fax: (284) 468-3299 Email: finance@gov.vg www.bvi.gov.vg

No.	Particulars	Amount US$
1	Establishment of a new fund, which will be created and managed by the SSB, for Unemployment and Business Interruption Relief, due to special circumstances such as the COVID-19 pandemic	10 Million
2	Food Production (Agriculture and Fisheries) Grant to be administered by Premier's Office to boost these industries and assist with food security	2 Million
3	Grants to local businesses affected by COVID-19, to be administered a team comprised of representatives of the Ministry of Finance, Premier's Office and Department of Trade	7 Million
4	Stimulus grants to hotels and villas affected by COVID-19, to be administered by a team comprised of representatives of the Ministry of Finance, the BVI Tourist Board, Ministry of Health and Premier's Office	1 Million
5	Government-guaranteed soft loans to local businesses at minimal interest rates to be administered by a team comprised of representatives of the Ministry of Finance, the Department of the Trade and the Premier's Office, and coordinated by local banks, to assist businesses affected by COVID-19	2 Million
6	Housing repairs, materials, labour and reconstruction assistance to be administered by the Premier's Office and the Ministry of Finance to water-tight homes damaged by the 2017 catastrophic hurricanes, Irma and Maria	15 Million
7	Other social needs related to COVID-19 to be administered by the Social Development Department	2 Million
8	Transportation initiative for the City and from Terrance B. Lettsome International Airport to approved quarantine areas in Tortola. Transportation initiative applies to the other Sister Islands as well	1 Million
Total		**40 Million**

As you would have observed, only some of the above programmes were named in the Implementation Committee's *"Implementation of the Immediate Relief Package – Update Report"*. The programme amounts are indicative at best, since we have not done or included here all the detailed costings. However, while the programme details are inadequate, the list is sufficient to afford the Board a sense of the intended purposes to which the funds will be directed.

In general, my office is committed to supply any information which would assist you in giving an 'in principle' commitment as to the level of financing to be made available by the Board. Specifically, before any of the subject programmes are rolled out, Government is prepared to agree with you, the modalities for each of the relevant programmes.

I remain available to discuss any of the foregoing matters, if deemed necessary.

Your sincerely,



c: Hon. Andrew A. Fahie, Premier and Minister of Finance
Mr. Ian Smith, Chairman, SSB

25th May, 2020

Mr. Ian Smith
Chairman
Virgin Islands Social Security Board
Joshua J. Smith Building
Road Town,
Tortola VG1110
British Virgin Islands

Dear Mr Smith;

RE: COVID-19 Grant from the Virgin Islands Social Security Board

Good day and God's blessings to you and yours.

I wish to thank the Board, Management and Staff of the Virgin Islands Social Security Board for their support to the Government and people of the Virgin Islands over the years, and in particular during this on-going period of the Coronavirus/COVID-19 pandemic.

I especially wish to thank the Board and yourself as Chairman, for the fruitful and informative discussions that you have engaged in with the Government of the Virgin Islands in seeking solutions to assist the BVI economy and the BVI people in these challenging times.

With respect to the Social Security Board's offer of a $40 million grant to the Government of the Virgin Islands to support the Territory's economic relief and stimulus initiatives, it is the Government's intention to apply these funds as listed in the table below.

No.	Particulars	Amount US$
1	Establishment of a new fund, which will be created and managed by the SSB, for Unemployment and Business Interruption Relief, due to special circumstances such as the COVID-19 pandemic	10 Million
2	Food Production (Agriculture and Fisheries) Grant to be administered by Premier's Office to boost these industries and assist with food security	2 Million

No.	Particulars	Amount US$
3	Grants to local businesses affected by COVID-19, to be administered a team comprised of representatives of the Ministry of Finance, Premier's Office and Department of Trade	7 Million
4	Stimulus grants to hotels and villas affected by COVID-19, to be administered by a team comprised of representatives of the Ministry of Finance, the BVI Tourist Board, Ministry of Health and Premier's Office	1 Million
5	Government-guaranteed soft loans to local businesses at minimal interest rates to be administered by a team comprised of representatives of the Ministry of Finance, the Department of the Trade and the Premier's Office, and coordinated by local banks, to assist businesses affected by COVID-19	2 Million
6	Housing repairs, materials, labour and reconstruction assistance to be administered by the Premier's Office and the Ministry of Finance to water-tight homes damaged by the 2017 catastrophic hurricanes, Irma and Maria	15 Million
7	Other social needs related to COVID-19 to be administered by the Social Development Department	2 Million
8	Transportation initiative for the City and from Terrance B. Lettsome International Airport to approved quarantine areas in Tortola. Transportation initiative applies to the other Sister Islands as well.	1 Million
	Total	**40 Million**

Please note that these priority areas were arrived upon based on the policy report and plan submitted to the Government by the Coronavirus Economic and Fiscal Stability Task Force.

Additionally, accountability, transparency and good governance are of utmost importance. Further, the Government has set an overall objective that funds applied in the Territory's COVID-19 response strategy, regardless of the source, must reach the core of our people and businesses in the BVI who are in need and should, as far as possible, have a meaningful impact on the economy. The Ministry of Finance is also charged with ensuring that the funding received is properly managed based on all financial regulations and laws that apply to public funds.

Also, to ensure accountable and transparent application of these funds, the policy position is that, except in the case of the business grants, all cheques must be paid directly to the providers of the relevant goods or services, and not to the recipient of the grant. In the case of the business grants,

there must be clear guidelines for due diligence and monitoring to ensure that these businesses make reasonable efforts to sustain employment in this COVID-19 era.

The Financial Secretary, who is copied here, will ensure that the aforementioned approach is adhered to.

Do note that I intend, as Premier and Minister of Finance, to address the national community on the Government's plan, Phase Two, for addressing the current and forecasted social and economic impact of the pandemic, on 28th May, 2020, at 8pm. The initiatives under the COVID-19 Grant from the Virgin Islands Social Security Board will be among the announcements that will be made.

It is very important that the public, especially businesses, are able to quickly be returned to the point where they can contribute to the Territory's overall economic activity and, in the process, minimise fallout from the pandemic such as unemployment. This grant will go a long way in this regard, and will also help with the broader objectives of driving entrepreneurship, innovation and diversification.

I again thank the Virgin Islands Social Security Board for their support at this challenging time for the Territory, and I look forward to seeing the fruits of these efforts being brought to reality.

Warm Regards,

[redacted] .....

Andrew A. Fahie
Premier and Minister of Finance

cc: Minister for Natural Resources Labour & Immigration
Financial Secretary
Permanent Secretary, Premier's Office
Permanent Secretary, MNRL&I
All Members of the BVI Social Security Board

REVISED EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
8th December, 2020

COVID-19 Transportation Stimulus Package
Memo No. 175/2020

Further to the decision made by the Cabinet on 27th May, 2020, below is the revised amended decision taken by the Cabinet in respect of the captioned matter:

Cabinet amended item (b) and:

a. approved an amount, not to exceed nine hundred thousand dollars ($900,000.00) to support the City Transportation Programme Initiative in Road Town (as a result of the upcoming redirecting of the traffic initiative in the Road Town area in June 2020), which will include a shuttle service from the Festival Grounds and, quarantine bus service for returning Nationals and Residents;

b. noted that the total amount, which will be allocated to the Premier's Office in Head 22204090, Subhead 528662 Coronavirus Prevention Expense, also includes expenses to be incurred for the new transportation initiatives on or to the other sister islands of Virgin Gorda, Anegada and Jost Van Dyke;

c. decided that the total amount will also include the hiring of any personnel and purchasing of materials that will be required to allow for the fluent, accountable and transparent functioning of this initiative;

d. agreed an amount not to exceed ninety thousand dollars ($90,000.00) to facilitate the purchase of two (2) electric shuttle buses as the economy continues to reopen for greater economic recovery in the longer term, and for this amount to be allocated to the Premier's Office Head 22204090, Subhead 528662 Coronavirus Prevention Expense;

e. decided that this programme will be administered and monitored by a coordinating committee inclusive of:

   i. Permanent Secretary/Premier's Office (or designate);

   ii. Permanent Secretary/Ministry of Transportation and Works (or designate);

   iii. Chairman of the Taxi and Livery Commission;

   iv. Director of Trade, Investment Promotions and Consumer Affairs (or designate);

   v. Director of Tourism (or designate);

f. decided that the coordinating committee be co-chaired by the Permanent Secretary in the Premier's Office and Chairman of the Taxi and Livery Commission;

g. decided that the coordinating committee will establish the guidelines under which the initiative will be administered and monitored, taking into account all COVID-19 protocols among other measures for safety, transparency and accountability;

h. decided that the Premier's Office request the Internal Audit Department to conduct monthly audits of the programme and submit monthly reports to the Cabinet; and

i. decided that an expedited extract be issued to allow for the decision of the Cabinet to be issued before the confirmation of the Minutes.

Please be guided accordingly.
Ms. Sandra Ward
9th December, 2020

This expedited extract supersedes the expedited extract issued on 16th July, 2020.

EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
17th June, 2020

COVID-19 Economic Stimulus - Small Business Sector Grant Programme - Memo No. 211/2020

Further to the decision made by the Cabinet on 17th June, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. approved the Small Business Sector Grant Programme via the COVID-19 Economic Stimulus Package in the amount of six million, five hundred thousand dollars ($6,500,000.00) by way of a grant to the Government of the Virgin Islands from the Social Security Board to be met from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense;

b. decided that a Committee be established consisting of representatives from the Premier's Office (Chair), the Ministry of Finance (Member), and the Department of Trade, Investment Promotion and Consumer Affairs (Member) with responsibility for structuring and administering the Small Business Sector Grant Programme;

c. decided that the Programme be audited on a monthly basis by the Internal Auditor and that the report be forwarded to the Cabinet by the Minister of Finance within one (1) month after receipt; and

d. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.

Ms. Sandra Ward
17th June, 2020

Question 2 (b)

COVID-19 Economic Stimulus - Small Business Sector Grant Programme

Signed · 15 July 2020 · MOF · File: FIN/G2/110 · Mr. Glenroy A. Forbes · Memo No. 267/2020

Purpose

1) The Small Business Sector Grant Programme was established for the purpose of assisting Micro, Small, and Medium Enterprise (MSME) Businesses affected by the COVID-19 pandemic, in meeting their operational expenditure, while stimulating economic activity by facilitating the circulation of money within the Territory.

Background

2) On 17th June, 2020, Cabinet approved the Small Business Sector Grant Programme via Extract Memo No. 211/2020 (**see Appendix C**), in the amount of six million, five hundred thousand dollars ($6,500,000.00), which is funded through a grant from the BVI Social Security Board.

3) Micro, Small and Medium Enterprises (MSMEs) comprise over 90 percent (about 3,600 businesses) of all businesses operating in the Territory. From the various administrative records and survey results identified in the Policy Brief (**see Appendix A**), it has become evident within the past few months, with extended periods of low or no revenue due to the impact of the COVID-19 pandemic, small businesses became more vulnerable to prolonged economic shocks.

4) In response, the Government of the Virgin Islands included as part of its Economic Response Plan (Phase II) released on 28th May, 2020, funds to assist small businesses to help curb the impact. These funds were allocated to assist businesses in meeting their operational expenditure, while stimulating economic activity by facilitating the circulation of money within the Territory.

5) To facilitate the design and implementation of the programme, Cabinet also decided that a Committee be established consisting of representatives from the Premier's Office (Chair), the Ministry of Finance (Member), and the Department of Trade, Investment Promotion and Consumer Affairs (Member) (**see Appendix C**). This committee will ensure the effective administration and management of the application process for the approval and disbursement of the grants. The Committee will also be responsible for monitoring and evaluating the programme to ensure its success by collecting information through participant surveys, focus group discussions and interviews carried out periodically during and after the implementation period.

6) The first task of the committee was to develop the policy guidelines (see Policy Brief at **Appendix A)**, along with developing the appropriate application form (see Application Form at **Appendix B**), through which the grant programme will be administered and effectively managed.

7) The process began by determining the estimated number of MSMEs, which were affected by COVID-19. It was also considered that they could potentially apply to the programme, by examining information on the numbers of non-operational businesses in comparison to those operating with less activity after the "soft" re-opening.

8) This number was estimated at 2,717 MSMEs, which was obtained by subtracting the estimated number of non-operational businesses from the total businesses and then applying the percentage of businesses that experienced less activity to the resulting total number of businesses.

9) Qualifying businesses are required to complete an application form and submit electronically. Applications will be available on the Government's Website, and shall be completed on-line. Provisions have been made for uploading supporting documents electronically. Provisions will also be made through the Department of Trade Investment Promotion & Consumer Affairs, to assist applicants who may have difficulty completing an electronic application form or do not have access to a computer or the Internet.

10) As part of the application process outlined in **Appendix A**, MSMEs are required to provide information on revenues and expenditures pre-COVID-19 and during the COVID-19 period to date. This information will be used to calculate a value loss figure, which will be important in determining the amount of funds a business is granted. Further details of how it would be applied is outlined in **Appendix A**.

11) For the purposes of this programme, "loss in business revenue" as a measure of impact, would result in a more targeted and equitable distribution of funds, with the greatest positive effect on the MSME sector and the overall economy.

12) Since the needs of the businesses will most definitely exceed the total amount of funding available through the programme ($6.5M), MSMEs will only be able to receive a certain percentage of losses in the form of a grant. There is no financial data currently available on MSMEs, consequently the determination of the percentage (%) distribution of funds to eligible businesses will be made after the application deadline, and once the data received from the business applicants has been assessed.

13) Assessment of the applications will begin immediately starting with determination of eligibility. Applicants at the beginning of the online application process will be required to answer a series of eligibility questions. Only eligible applicants will be allowed to proceed with the application. At the close of the application process, all eligible applicants will be ranked based on: the level of

compliance regarding meeting statutory fee obligations; type of business ownership; and the value of the percentage difference between profit/loss pre-COVID-19 and during COVID-19. Ranking is being used to optimise the allocation of the grant based on fair and transparent criteria.

14) Grants will be processed and disbursed in accordance with Cabinet's decision (see Extract Memo No. 211/2020 at **Appendix C**), from the approved Small Business Sector Grant Programme via the COVID-19 Economic Stimulus Package, in the amount of six million five hundred thousand dollars ($6,500,000.00) from the Social Security Board.

15) Payments will be made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense.

16) Payments in support of overheads, purchases, or debt repayments will be made directly to suppliers and vendors on behalf of the business, subject to the submission of proforma invoices. Statutory fees and taxes will be paid through appropriate submission of vouchers and other cross governmental transactions, upon the receipt of official records. Salaries and wages will be paid directly to the business upon the submission of official payroll records.

17) It is generally accepted that the foundation for success of any business includes the existence of a business plan and strategy that serves as a guide to business decisions and an operating and reporting infrastructure, that allows a business to measure the successful implementation of its plans and programmes; and to provide a basis for making adjustments where necessary.

18) To ensure that MSMEs are given the greatest chance of success, information will be gathered as part of the application process, to determine the extent to which applicants have in place the fundamental business tools (business plans, financial and reporting infrastructure etc.), that are necessary for business success and for the development of entrepreneurial skills.

19) For those applicants who do not have the necessary business tools in place, provision will be made for applicants to attend a one (1) day certificate training programme, aimed at sensitising applicants to the importance of these tools and providing general guidance, in the first instance, for their implementation as well as to strengthen their entrepreneurial skills.

Conclusion

20) The length and depth of the impact of COVID-19 on small vulnerable states like the BVI is still unknown. As the Territory braces for further declines in economic activity and growth, sustained Government intervention may be required. Other phases of economic support and economic stimulation may still need to be targeted to the MSME sector. MSME's are a vital component of the BVI's sustainability and will continue to be affected as the crisis is prolonged, especially as the tourism industry remains depressed and with added threats from potential of hurricanes, earthquakes and other catastrophic events.

21) Cabinet is asked to note the information therein.

Information to note

22) Cabinet is ask to note:

1. the policy brief (**see Appendix A**), which sets out the framework for the management and administration for the Economic Stimulus - Small Business Sector Grant Programme; and

2. the application form (**see Appendix B**), which will be launched online for the collection of the relevant information and data required for the disbursement of the funds.

Hon. Andrew A. Fahie
Minister of Finance
15 July 2020

Appendix A

Economic Stimulus Micro Small and Medium Enterprise (MSME) Businesses Grant Programme

Policy Brief

7th July, 2020

1.0 Background

The impact of COVID-19 on the BVI economy is continuing to unravel. Since the announcement by the World Health Organisation (WHO) that the virus had been upgraded to global pandemic status on 11 March 2020 the Government of the Virgin Islands implemented various policy actions to curb the spread of the virus. These included the suspension of cruise ship arrivals, border closures and a 24-hour domestic curfew from 26 March, 2020 which lasted for approximately a month, with a gradual reopening of businesses thereafter.

Although these initiatives were necessary in curbing the spread of the virus they have severely impacted the BVI economy and in particular, has negatively affected small businesses which make up a large percentage of businesses operating in the Territory. Small businesses are more vulnerable to prolonged economic shocks because they usually do not have the resources to support their business during extended periods of low or no revenue.

A COVID-19 Impact Business Survey conducted by the Government of the Virgin Islands in April during the extensive lockdown period revealed, the total monthly losses for businesses with less than 25 employees were in the region of $27 million.

In response to the negative impact experienced by small businesses, the Government of the Virgin Islands included as part of its Economic Response Plan (Phase II) released on 28 May 2020, dedicated funds to assist small businesses. These funds were allocated to assist businesses in meeting their operational expenditure, while stimulating economic activity by facilitating the circulation of money within the Territory.

Cabinet approved the Small Business Sector Grant Programme via Extract Memo No. 211/2020 on 17th June 2020 in the amount of six million, five hundred thousand dollars ($6,500,000.00) funded through a grant from the BVI Social Security Board.

To facilitate the design and implementation of the programme Cabinet also decided that a Committee be established consisting of representatives from the Premier's Office (Chair), the Ministry of Finance (Member), and the Department of Trade, Investment Promotion and Consumer Affairs (Member). This committee will ensure the effective administration and management of the application process for the approval and disbursement of the grants.

2.0 Programme Overview

2.1 Definition of MSME

The COVID-19 Economic Stimulus - Small Business Sector Grant Programme programme targets micro, small and medium size enterprises (MSMEs). To ascertain approximately how many businesses could potentially quality for assistance the first step was to determine the number of businesses in the BVI that could be defined as MSMEs. In 2018 Cabinet approved the General Policy Guidelines within the Business Licence Policy which categorised business by the number of employees and the value of annual turnover as follows:

- A micro enterprise employs 1-5 persons, with an annual turnover of less than $25,000;
- A small enterprise employs 6-10 persons, with an annual turnover of less than $125,000,
- A medium enterprise employs 11-20 persons, with an annual turnover of less than $200,000; and
- A large enterprise employs more than 20 persons, with an annual turnover of more than $200,000.

Using the employee criterion only (that is less than 20 employees), 94% of all enterprises could potentially apply to the programme. Under the turnover criterion (that is less a $200K annual turnover), 70% of all enterprises could be deemed MSMEs therefore potentially eligible for the programme. However, the majority of enterprises would fall outside of any groupings if both criteria were used to categorise MSMEs. Therefore, a decision was made to abandon the use of both criteria to define MSMEs in this instance, and instead either the number of employees or the annual turnover criterion would be used.

Given the absence of a database that contained comprehensive information on business turnover, the number of employees criteria has been used to define a MSME. The following sources of information were used to determine the number of businesses based on employee categories: the Department of Trade, Investment Promotion & Consumer Affairs database, Social Security Board (SSB) registrations, Reopening

Business Impact Survey[1], COVID-19 Business Impact Survey[2], and Workforce Assessment Survey – Labour Department[3].

Table 1 below shows the frequencies for each business categories. The number of MSMEs was estimated at 3,571.

Table 1 – Estimated number of Businesses in the BVI by Number of Employees

Business Type	Number of Employees	Estimate Number of Businesses
Micro & Small	Less than or equal to 10	3,312
Medium	11 - 20	259
Large	> 20	227
Total		3,798

2.2 Impacted MSMEs

To determine an estimate for the number of MSMEs that were affected by COVID-19 and could potentially apply to the programme, information from two data sources were used: Reopening Business Impact Survey and Workforce Assessment Survey – Labour Department. Information on the numbers of non-operational businesses and those operating with less activity after the "soft" re-opening was examined to determine the number of businesses that could potentially apply for assistance[4]. This number was estimated at 2,717 MSMEs. See Table 2.

Table 2 – Estimated Number of Impacted MSMEs

Business Type	Estimate Number of Impacted Businesses
Micro & Small	2,522
Medium	195
Total	2,717

[1] The soft opening was between 10th – 19th April (2 weeks) during which businesses (approved by Environmental Health) were open for a limited period of time.

[2] To gauge the impact of the virus on business activity a COVID-19 Business Impact Survey was conducted by the Government/Task Force between 9th April and 19th April 2020. Information is based on the responses of 401 businesses across sectors.

[3] Businesses were urged to call in/email the Labour Department to complete a form about their business activity, and the status of their employees.

[4] This number was obtained by subtracting the estimated number of non-operational businesses from the total businesses and then applying the percentage of businesses that experienced less activity to the resulting total number of businesses.

2.3 Grant Allocation

One possible way of allocating the grant funds among businesses is to do so equally, that is dividing the $6.5 million by the 2,717 estimated number of businesses that were affected by COVID-19 pandemic and could potentially apply for assistance. This would result in a distribution of approximately $2,400 among each business. However, this method and any other approach that fails to consider the impact of the crisis on each business would not present a tangible and equitable approach, and therefore would not realistically provide the level of assistance that would enable an MSME to recover from and/or survive the negative impacts of COVID-19.

Understanding the impact of COVID-19 on a business is therefore critical in determining the amount of the grant allocation. For the purposes of this programme "loss in business revenue" as a measure of impact would result in a more targeted and equitable distribution of funds, with the greatest positive effect on the MSME sector and the overall economy.

As part of the application process MSMEs are required to provide information on revenues and expenditures pre-COVID-19 and during the COVID-19 period to date. This will be used to calculate a value loss figure which will be important in determining the amount of funds a business is granted. Since the needs of the businesses will most definitely outstrip the value of the programme ($6.5 million) MSMEs will only be able to receive a certain percentage of losses in the form of a grant. Since there is no financial data currently available on MSMEs the determination of the percentage (%) distribution of funds to eligible businesses will be made after the application deadline, and once the data received from the business applicants has been analysed.

3.0 Application Process

3.1 Eligibility

The following eligibility requirements have been proposed for qualification for the MSME Grant Programme.

MSME Businesses must:

1. have a valid trade license with all payments up to date. Businesses that are currently not up to date are required to do so by the end of the application deadline.
2. have 20 employees or less.
3. have commenced operations prior to January 31, 2020
4. be in operation now or planning to resume operation once the borders are open for visitors

3.2 Application Requirements

MSME businesses are required to complete an application form and submit electronically. Applications will be available on the Government's Website, and shall be completed online. Provisions have been made for uploading supporting documents electronically. Provisions will also be made through the Department of Trade Investment Promotion & Consumer Affairs to assist applicants who may have difficulty completing an electronic application form or do not have access to a computer or the internet.

Applicants will also be required to provide a brief statement outlining how the pandemic affected the business and also explain what the funds will be used for if granted.

The following supporting documents and information will also be required and the Department of Trade Investment Promotion & Consumer Affairs may request additional information from applicants as necessary.

1. A copy of the valid trade licence for the applicable business;

2. Proof that the business has been in operation prior to January 31, 2020. It may be in the form of records of previous trade licences, and previous financial records;

3. Proof that the business is in good standing with the following bodies:
    a. National Health Insurance: a copy of the good standing certificate or authorized payment plan from the NHI
    b. Social Security Board: a copy of the good standing certificate or authorized payment plan from the SSB
    c. Inland Revenue Department: a copy of the good standing certificate or authorized payment plan from the IRD

4. Other supporting documents may include the following, where possible:
    a. Financials (Revenue & Expenditure)
    b. Evidence of payable accounts (such as invoices and unpaid bills)
    c. Human resources (staff complement)

4.0 Selection and Monitoring and Evaluation Process

Assessment of the applications will begin immediately starting with determination of eligibility. Applicants at the beginning of the online application process will be required to answer a series of eligibility questions. Only eligible applicants will be allowed to proceed with the application. At the close of the application process all eligible applicants will be ranked based on: the level of compliance regarding meeting statutory

fee obligations; type of business ownership; and the value of the percentage difference between profit/loss pre-COVID-19 and during COVID-19. For example, a MSME that has met all statutory payments and has a greater percentage loss will rank higher than one who has not met its statutory payments or has not arranged a payment plan and has a smaller percentage loss. Ranking is being used to optimise the allocation of the grant based on fair and transparent criteria. Suggested grant amounts will be determined as outlined in section 2.3.

Although the process is automated the Committee, which was established by Cabinet will review the list of selected beneficiaries for the grant and the grant allocation amount before submission to the Minister of Finance for final review and approval.

The Committee will also be responsible for monitoring and evaluation of the programme. The programme will be monitored and evaluated by collecting information through participant surveys, focus group discussions and interviews carried out periodically during and after the implementation period.

The following output and outcome measures could be utilised to assess the performance and impact of the programme. This information would also be useful in informing future policy interventions in the MSME sector.

OUTPUT INDICATORS	OUTCOME INDICATORS
Number of businesses receiving grants through programme by sector and business type	Proportion of businesses receiving grant still in operation after six (6) months
$ value granted by business	Number of employees retained
$ value expenditure of funds by business and by expenditure category	% increase in revenue for businesses provided with grant
	% satisfied recipients with the MSME Grant Programme

The Department of Trade, Investment Promotion & Consumer Affairs will review the supporting documents with the applications, and check the validity of the compliance information stated by the applicants.

5.0 Payment of Grants

Grants will be processed and disbursed in accordance with Cabinet's decision from the approved Small Business Sector Grant Programme via the COVID-19 Economic Stimulus Package in the amount of six million five hundred thousand dollars ($6,500,000.00) from the Social Security Board.

Payments will be made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense.

Payments in support of overheads, purchases, or debt repayments will be made directly to suppliers and vendors on behalf of the business, subject to the submission of proforma invoices. Statutory fees and taxes will be paid through appropriate submission of vouchers and other cross governmental transactions, upon the receipt of official records. Salaries and wages will be paid directly to the business upon the submission of official payroll records.

6.0 Query & Grievance Mechanisms

Any business applicant who wishes to query or lodge any grievance regarding the decision made on their application may do so by written correspondence addressed to Permanent Secretary Premier's Office. Such written correspondence must be submitted to the Premier's Office within 14 days after receipt of the decision from the Committee regarding their business's application for the Small Business Sector Grant Programme. The Committee will review the particulars and respond to the business applicant within 14 days of receipt of the query or grievance letter.

7.0 Training in Financial Management

It is generally accepted that the foundation for success of any business includes the existence of a business plan and strategy that serves as a guide to business decisions and an operating and reporting infrastructure. Such infrastructure allows a business to measure the successful implementation of its plans and programmes; and provide a basis for making adjustments where necessary.

To ensure that MSMEs are given the greatest chance of success, information will be gathered as part of the application process to determine the extent to which applicants have in place the fundamental business tools (business plans, financial and reporting infrastructure etc.), that are necessary for business success and for the development of entrepreneurial skills.

For those applicants who do not have the necessary business tools in place, provision will be made for applicants to attend a one (1) day certificate training programme, aimed at sensitising applicants to the importance of these tools and providing general guidance, in the first instance, for their implementation, as well as to strengthen their entrepreneurial skills.

8.0 Other Considerations

The Government including Statutory Bodies has launched a plethora of assistance programmes as part of the Economic Response Plan – Phase 2 targeting in some form the MSME sector directly or indirectly. These include the BVI Electricity Corporation's COVID-19 Amnesty Programme, Economic Stimulus to farmers and fisherfolk, House of Assembly of the Virgin Islands COVID-19 Assistance Programme, COVID-19 Unemployment/Underemployment Benefit administered by the Social Security Board and the United Nations Development Programme grant programme for food operators.

Creation of a central repository of data and information on the recipients of assistance from the various programmes will be very beneficial in understanding the types of businesses that have been impacted by COVID-19, the extent that the crisis has affected their businesses, and the type and level of assistance they have received. Moreover, such information will be valuable in guiding and shaping future economic assistance policy initiatives, and thus ensure the best usage of taxpayer funds.

9.0 Conclusion

The length and depth of the impact of COVID-19 on small vulnerable states like the BVI is still unknown. As the Territory braces for further declines in economic activity and growth, sustained Government intervention may be required over the medium-term. Other phases of economic support and economic stimulation may still need to be targeted to the MSME sector. MSME's are a vital component of the BVI's sustainability and will continue to be affected as the crisis is prolonged, especially as the tourism industry remains depressed with added threats from potential hurricanes, earthquakes and other catastrophic events. . Consequently, following the implementation of this programme and assessment of its level of coverage, the Government may definitely need to consider in its Phase 3 response additional support to MSMEs. This could take the form of additional grants, as well as soft loans and technical advice.

Appendix B

COVID-19 Economic Stimulus - Small Business Grant Application

The Government of the Virgin Islands has launched the COVID-19 Economic Stimulus - Small Business Sector Grant Programme programme which targets micro, small and medium size enterprises (MSMEs) in the Territory who have been adversely impacted by the COVID-19 crisis. Cabinet approved the Small Business Sector Grant Programme, in the amount of six million, five hundred thousand dollars ($6,500,000.00) funded through a grant from the BVI Social Security Board. These grant funds were allocated to assist businesses in meeting their operational expenditure, while stimulating economic activity by facilitating the circulation of money within the Territory.

Please complete the application form with the most up to date and accurate information and provide the necessary supporting documentation as required. The Department of Trade Investment Promotion & Consumer Affairs may request additional information from applicants as necessary. All information provided will be kept in the strictest of confidence.

Please be advised that all eligible applicants will be required to attend training in financial management and entrepreneurship to the hosted by the Government.

PLEASE NOTE THAT DAY CARES, PRE-SCHOOLS, PRIVATE SCHOOLS, CHURCHES, AND RELIGIOUS ORGANISATIONS WOULD NOT BE ELIGIBLE FOR THIS GRANT PROGRAMME. A SEPARATE PROGRAMME WILL BE DEVELOPED FOR THIS CATEGORY OF ENTITIES.

If you have any questions please contact the Department of Trade. Email:.., Tel. Number 468-2008.

COVID-19 Economic Stimulus - Small Business Grant Application *Please provide accurate responses to the following.*

Business Information

Full Name of Business as reflected on Trade Licence:

_____

Name of Applicant FULL LAST NAME FIRST, FOLLOWED BY FULL FIRST NAME):

_____

Name of Owner(s) (IF DIFFERENCE FROM ABOVE, FULL LAST NAME FIRST, FOLLOWED BY FULL FIRST NAME):

_____

Trade Licence Number (AS IT APPEARS ON YOUR TRADE LICENCE CERTIFICATE):

_____

District Location of Business:

- District 1
- District 2
- District 3
- District 4
- District 5
- District 6
- District 7
- District 8
- District 9

Telephone Number: (space for 3 phone numbers)

_____

Email Address:

_____

Social Security Number for your Business:

_____

Please state the percentage share held by owners, directors or shareholders of the business:

	Percentage
BVIslander/Belonger	_____
Non-Belonger	_____

Select ONE answer that best describes the business sector or industry.

Agriculture
○ Construction

Creative Industries(e.g. art, handicrafts, fashion, audio visual etc.)

- ○ Fishing
- ○ Food/Beverage Services (e.g. restaurants, bars, food vans etc.)
- ○ Personal Care (e.g. spa, barber, hairdresser, nail salon etc.)
- ○ Transportation (taxi etc.)
- ○ Wholesale/Retail Sales (e.g. food, beverages, electronics etc.)
- ○ Other (please specify e.g. type photography in the box below) _____

Specify main type of business activity (e.g. restaurant, hairdresser, car rental etc.)

_____

Was the business in good standing at the time of this application with the following entities? Select ALL that apply.

Department of Trade, Investment Promotion and Consumer Affairs

- ☐ Inland Revenue Department
- ☐ Social Security Board
- ☐ National Health Insurance
- ☐ Financial Services Commission (applies only to incorporated companies)

If not in good standing with any of the above, has the business established a payment plan to deal with any arrears? Select ALL that apply.

Department of Trade, Investment Promotion and Consumer Affairs

- ☐ Inland Revenue Department
- ☐ Social Security Board
- ☐ National Health Insurance
- ☐ Financial Services Commission (applies only to incorporated companies)

Impact of COVID-19

Please provide a brief statement outlining the impact to the specific business.

_____
_____
_____

Please state the total number of persons employed by your business:
Before 11th March 2020 _____ From 11th March 2020 to present _____

Please fill out the following table indicating the number of employees for each time period (ANSWER THIS QUESTION ONLY IF THE GRANT FUNDING IS INTENDED TO BE USED TO PAY EMPLOYEES' SALARIES/WAGES).

	No. of Employees (before 11th March 2020)	No. of Employees (From 11th March 2020 to present)
BVIslanders/Belongers Fulltime	_____	_____
BVIslanders/Belongers Part-time	_____	_____
Non-Belongers Fulltime	_____	_____
Non-Belongers Part-time	_____	_____

Select the appropriate range in which the total value of the monthly revenue (money earned) and the value of the monthly expenditure (spending) of your business would fall for each time period.

	Estimated Revenue (monthly)	Estimated Expenditure (monthly)

Before March 2020	• $0 - $2,500 • $2,500 - $5,000 • $5,000 - $7,500 • $7,500 - $10,000 • $10,000 - $12,500 • $12,500 - $15,000 • $15,000 - $17,500 • $17,500 - $20,000 • More than $20,000	• $0 - $2,500 • $2,500 - $5,000 • $5,000 - $7,500 • $7,500 - $10,000 • $10,000 - $12,500 • $12,500 - $15,000 • $15,000 - $17,500 • $17,500 - $20,000 • More than $20,000
March 2020	• $0 - $2,500 • $2,500 - $5,000 • $5,000 - $7,500 • $7,500 - $10,000 • $10,000 - $12,500 • $12,500 - $15,000 • $15,000 - $17,500 • $17,500 - $20,000 • More than $20,000	• $0 - $2,500 • $2,500 - $5,000 • $5,000 - $7,500 • $7,500 - $10,000 • $10,000 - $12,500 • $12,500 - $15,000 • $15,000 - $17,500 • $17,500 - $20,000 • More than $20,000
April 2020	• $0 - $2,500 • $2,500 - $5,000 • $5,000 - $7,500 • $7,500 - $10,000 • $10,000 - $12,500 • $12,500 - $15,000 • $15,000 - $17,500 • $17,500 - $20,000 • More than $20,000	• $0 - $2,500 • $2,500 - $5,000 • $5,000 - $7,500 • $7,500 - $10,000 • $10,000 - $12,500 • $12,500 - $15,000 • $15,000 - $17,500 • $17,500 - $20,000 • More than $20,000
May 2020	• $0 - $2,500 • $2,500 - $5,000 • $5,000 - $7,500 • $7,500 - $10,000 • $10,000 - $12,500 • $12,500 - $15,000 • $15,000 - $17,500 • $17,500 - $20,000 • More than $20,000	• $0 - $2,500 • $2,500 - $5,000 • $5,000 - $7,500 • $7,500 - $10,000 • $10,000 - $12,500 • $12,500 - $15,000 • $15,000 - $17,500 • $17,500 - $20,000 • More than $20,000

During the lockdown period was the business in operation?

Yes
○ No

Business Support

For what area(s) is/are the grant funds intended to be used? Select ALL that apply? (Include invoices and estimates, where possible).

- ☐ Salaries/wages (Please provide evidence on the resident status of your employees)
- ☐
- ☐ Other overheads: Rent, utilities etc.
- ☐ Purchase of goods for sales or supplies
- ☐ Statutory fees and taxes
- ☐ Debt repayment _____
- ☐ Other, please specify below...

_____
_____
_____

Did your business apply for or receive assistance from government and/or statutory body, inclusive of a member of the House of Assembly, from Social Development, from Social Security, or any other body?

- ○ Yes
- ○ No

Provide details, such as amount and awarding agency, if possible

_____
_____
_____

Application Date

_____/_____/_____(YYYY/MM/DD)

Declaration of Affirmation of Information

☐ I hereby certify that the information stated in this application is true and accurate. I also understand that any false information may lead to my automatic disqualification from the programme.

Please Type Your Name:

_____

Appendix C

EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
17th June, 2020

COVID-19 Economic Stimulus - Small Business Sector Grant Programme
Memo No. 211/2020

Further to the decision made by the Cabinet on 17th June, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. approved the Small Business Sector Grant Programme via the COVID-19 Economic Stimulus Package in the amount of six million, five hundred thousand dollars ($6,500,000.00) by way of a grant to the Government of the Virgin Islands from the Social Security Board to be met from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense;

b. decided that a Committee be established consisting of representatives from the Premier's Office (Chair), the Ministry of Finance (Member), and the Department of Trade, Investment Promotion and Consumer Affairs (Member) with responsibility for structuring and administering the Small Business Sector Grant Programme;

c. decided that the Programme be audited on a monthly basis by the Internal Auditor and that the report be forwarded to the Cabinet by the Minister of Finance within one (1) month after receipt; and

d. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.
Ms. Sandra Ward
17th June, 2020

EXPEDITED EXTRACT

Ref: CO/C/070/2

FROM: Cabinet Secretary

TO: Minister of Finance

CC: Financial Secretary

DATE: 15th July, 2020

COVID-19 Economic Stimulus - Small Business Sector Grant Programme Memo No. 267/2020 (/papers/89)

Further to the decision made by the Cabinet on 15th July, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. noted the policy brief, which sets out the framework for the management and administration for the Economic Stimulus - Small Business Sector Grant Programme;

b. noted the application form, which will be launched online for the collection of the relevant information and data required for the disbursement of the funds; and

c. decided that an expedited extract be issued to allow the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.

Mrs. Vicki Samuel-
Lettsome
Deputy Cabinet Secretary
for Cabinet Secretary
16th July, 2020

General

COVID-19 Economic Stimulus-Micro Small and Medium Enterprise (MSME) Businesses Grant Relief Awards

- Signed
- 08 September 2020
- MOF
- File: FIN/G2/110
- Mr. Document Transfers
- Memo No. 343/2020

Background Information

1)On 17th June, 2020, Cabinet approved the Small Business Sector Grant Programme via Extract Memo No. 211/2020 **(See Appendix A)**, in the amount of six million, five hundred thousand dollars ($6,500,000.00), which is funded through a grant from the BVI Social Security Board.

2)To facilitate the design and implementation of the programme, Cabinet decided that a Committee be established consisting of representatives from the Premier's Office (Chair), the Ministry of Finance (Member), and the Department of Trade, Investment Promotion and Consumer Affairs (Member).

3)This committee was established for the purpose of ensuring the effective administration and management of the programme including the application process for the approval and allocation and disbursement of the grants.

APPLICATION, EVALUATION AND SELECTION PROCESS

4)The programme was launched on Tuesday, 21st July, 2020 by the Junior Minister for Trade & Economic Development, Hon. Shereen Flax, on behalf of the Premier. This marked the beginning of the online application process which ran for the duration of one (1) month until August 21. Provisions were made through the Department of Trade Investment Promotion & Consumer Affairs to assist applicants who may have had difficulty completing an electronic application form or did not have access to a computer or the Internet. An additional week was added to the original deadline to allow for businesses who were not able to upload their documents and complete their application the opportunity to do so.

5)A total of 1,423 businesses applied for the grant. An initial review deemed 236 applications “not usable” and 87 applications were considered duplicates. As a result, 1,102 businesses advanced to the evaluation stage. These were establishments that possessed valid 2020 trade licenses and were assessed on:

i. Whether they qualified as a MSME that is less than 20 employees and a monthly turnover of less than twenty thousand dollars ($20,000); and

ii. The financial impact of COVID-19 on their business measured as the average value of profit/loss during the months of March, April and May.

6)Additionally, there were 232 businesses that did not meet the MSME definition criteria, specifically the less than twenty thousand dollars ($20,000) monthly turnover criterion. Since this number was sizable, the Committee decided to eliminate the turnover eligibility criterion given that these businesses also were impacted negatively from the reduced economic activity resulting from the COVID-19 crisis.

GRANT AMOUNT

7)The grant amount was determined based on:

i. the value of financial impact on a business during the assessed period of March, April and May 2020;

ii. the total number of businesses receiving the grant; and

iii. the total amount available for distribution - $6,500,000.

8)Businesses where divided into five (5) groups based on the level of financial impact ranging from a loss to profit as described in Table 1. Grants ranged from $1,592 - $7,955 per awardee.

9)**Table 1**: Grant Amount by Group Type

Group	Profit/Loss March - May 2020	Grant Amount	Number of Businesses Receiving Grants	Total Grant Received
Group1	Loss ($10K – $20K)	$ 7,955	31	$ 246,574
Group2	Loss ($200 - $10K)/Break Even ($0)	$ 6,663	784	$ 4,988,742
Group3	Profit ($400 - $5K)	$ 4,772	162	$ 773,128
Group4	Profit ($>$5K)	$ 3,182	10	$ 31,816
Group5	No Information on revenue or expenditure provided therefore impossible to measure financial impact	$ 1,592	49	$ 77,949
			1036	**$ 6,118,209**

10)Further examination of the application data revealed there were a number of applicants with multiple businesses and therefore could potentially receive a disproportionate amount of the grant. In order to ensure an equitable process, the Committee decided to limit the total value of the grant to an individual with multiple businesses to a maximum of fifteen thousand dollars ($15,000). This was equivalent to a grant limit for two (2) businesses per individual applicant. As a result, 66 businesses were not included in the final grant awardee list. Therefore, 1,036 businesses will receive grants under the programme valued at $6,118,209 with $381,791 remaining from the originally approved amount of $6,500,000. The remaining balance of $381,791 from the Small Business Sector Grant Programme would be used to fund an extension of the existing Programme. This will allow businesses throughout the Territory that did not get an opportunity to participate in the initial phase to still receive assistance from Government. Businesses will be required to apply and be subject to the same transparent selection and evaluation process.

11)**Appendix B** includes the list of all businesses and the value of the grants which is broken down by District. **Table 2** shows this breakdown by grant amount.

Table 2: Grants by District

DISTRICT	NUMBER OF BUSINESSES	GRANT AMOUNT
District 1	67	$ 397,699
District 2	102	$ 598,140
District 3	89	$ 542,462
District 4	277	$ 1,646,476
District 5	69	$ 407,244
District 6	114	$ 649,046
District 7	60	$ 357,930
District 8	90	$ 520,191
District 9	168	$ 999,021

TOTAL	**1036**	**$6,118,209**

12)Although information was collected on the level of compliance with payment of statutory fees to Social Security, Inland Revenue and National Health Insurance and type of business ownership that is BVIslander/Belonger and Non-Belonger this information was not used to determine grant eligibility or the grant amount. This information would be utilised with other data collected during this programme for future decision-making as required.

Distribution of Funds

13)Grants will be processed and disbursed in accordance with Cabinet's decision **(see Extract Memo No. 211/2020 at Appendix A)**, from the approved Small Business Sector Grant Programme via the COVID-19 Economic Stimulus Package, in the amount of six million five hundred thousand dollars ($6,500,000.00) from the Social Security Board.

14)Payments will be made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense.

15)Given the sensitivity of time, it was agreed by the Committee that recommendations be made for the funds to be paid directly to the beneficiaries, where they would be required to sign declaration agreeing to adhere to the use of the grant funds **(see Declaration at Appendix C)**. Actual information on fund utilisation will be garnered during the monitoring and evaluation stage of the programme led by the Ministry of Finance. This information will then form part of a formal report on the programme.

Purpose

16)The Small Business Sector Grant Programme was established for the purpose of assisting Micro, Small, and Medium Enterprise (MSME) Businesses affected by the COVID-19 pandemic, in meeting their operational expenditure, while stimulating economic activity by facilitating the circulation of money within the Territory.

17)This paper is for the purpose of receiving Cabinet's approval of the list of awardees for the appropriate grant amounts as provided in Appendix B.

Cross-Ministry Consultation

18)No cross-Ministry consultation required in this instance.

Financial Implications

19)The MSME initiative funding was approved via Schedule of Additional Provision No.1 of 2020 in the amount of six million, five hundred thousand dollars ($6,500,000.) through a grant received from the Social Security Board. The policy/analysis conducted in

determining the distribution is a reasonable approach that brought equity to the process. The grant, while minimal, would assist businesses with financial assistance during the COVID-19 pandemic.

20)In our view, the Micro, Small and Medium Enterprises are the main drivers of the private sector. In this regard, any assistance financial or otherwise, that goes towards helping them to continue in business could only enure to the benefit of a stronger territorial economy. The Ministry of Finance therefore supports the decision being sought.

Legal Implications

21)It will appear from a review of the Cabinet Paper and in particular the decisions sought, that there are no likely adverse legal implications for the Government if Cabinet approves the decisions sought.

Budget

22)Budgetary approval for the initiative were approved via Schedule of Additional Provision No.1 of 2020 in the amount of six million, five hundred thousand dollars ($6,500,000) through a grant received from the Social Security Board.

Communication Strategy

23)Communication Strategy would be implemented by GIS.

Conclusion

24)Creation of a central repository of data and information on the recipients of assistance from the various programmes will be very beneficial in understanding the types of businesses that have been impacted by COVID-19, the extent that the crisis has affected their businesses, and the type and level of assistance they have received. Moreover, such information will be valuable in guiding and shaping future economic assistance policy initiatives, and thus ensure the best usage of taxpayer funds.

25)Therefore, to ensure that MSMEs are given the greatest chance of success, the MSME grant programme also includes a professional development segment. Training programmes will be held for businesses aimed at equipping MSMEs with expertise in financial management, business plan development, and other entrepreneurial skills. This of course is not only essential for business growth, but to ensure sustainability of the MSME sector through capacity building.

26)Cabinet is therefore invited to consider and concur the decision sought.

Decision Sought

Cabinet is asked to:

a. decide that the list of businesses with the corresponding grant amounts be distributed in accordance with Government's financial management policy procedures **(see Appendix B)**;

b. decide that the funds will be paid directly to the beneficiary business, once they sign a declaration agreement **(see Appendix C)** agreeing to what the funds can be spent on;

c. note that payments will be made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense;

d. decide that the remaining balance of three hundred eighty-one thousand, seven hundred and ninety-one dollars ($381,791) from the Small Business Sector Grant Programme, be used to fund an extension of the existing Programme; and

e. decide that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Recipients: Attorney General, AGC;

Hon. Andrew A. Fahie
Minister of Finance

10 September 2020

EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
11th September, 2020

COVID-19 Economic Stimulus-Micro Small and Medium Enterprise (MSME) Businesses Grant Relief Awards - Memo No. 343/2020

Further to the decision made by the Cabinet on 11th September, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. decided that the list of businesses with the corresponding grant amounts be distributed in accordance with Government's financial management policy procedures ;

b. decided that the funds will be paid directly to the beneficiary business, once they sign a declaration agreement agreeing to what the funds can be spent on;

c. noted that payments will be made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense;

d. decided that the remaining balance of three hundred eighty-one thousand, seven hundred and ninety-one dollars ($381,791) from the Small Business Sector Grant Programme, be used to fund an extension of the existing Programme; and

e. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.

Mrs. Vicki Samuel-Lettsome
Deputy Cabinet Secretary for Cabinet Secretary
11th September, 2020

Economic Stimulus Micro Small and Medium Enterprise (MSME) Businesses Grant Programme

Policy Brief

7th July, 2020

1.0 Background

The impact of COVID-19 on the BVI economy is continuing to unravel. Since the announcement by the World Health Organisation (WHO) that the virus had been upgraded to global pandemic status on 11 March 2020 the Government of the Virgin Islands implemented various policy actions to curb the spread of the virus. These included the suspension of cruise ship arrivals, border closures and a 24-hour domestic curfew from 26 March, 2020 which lasted for approximately a month, with a gradual reopening of businesses thereafter.

Although these initiatives were necessary in curbing the spread of the virus they have severely impacted the BVI economy and in particular, has negatively affected small businesses which make up a large percentage of businesses operating in the Territory. Small businesses are more vulnerable to prolonged economic shocks because they usually do not have the resources to support their business during extended periods of low or no revenue.

A COVID-19 Impact Business Survey conducted by the Government of the Virgin Islands in April during the extensive lockdown period revealed, the total monthly losses for businesses with less than 25 employees were in the region of $27 million.

In response to the negative impact experienced by small businesses, the Government of the Virgin Islands included as part of its Economic Response Plan (Phase II) released on 28 May 2020, dedicated funds to assist small businesses. These funds were allocated to assist businesses in meeting their operational expenditure, while stimulating economic activity by facilitating the circulation of money within the Territory.

Cabinet approved the Small Business Sector Grant Programme via Extract Memo No. 211/2020 on 17th June 2020 in the amount of six million, five hundred thousand dollars ($6,500,000.00) funded through a grant from the BVI Social Security Board.

To facilitate the design and implementation of the programme Cabinet also decided that a Committee be established consisting of representatives from the Premier's Office (Chair), the Ministry of Finance (Member), and the Department of Trade, Investment Promotion and Consumer Affairs (Member). This committee will ensure the effective administration and management of the application process for the approval and disbursement of the grants.

2.0 Programme Overview

2.1 Definition of MSME

The COVID-19 Economic Stimulus - Small Business Sector Grant Programme programme targets micro, small and medium size enterprises (MSMEs). To ascertain approximately how many businesses could potentially quality for assistance the first step was to determine the number of businesses in the BVI that could be defined as MSMEs. In 2018 Cabinet approved the General Policy Guidelines within the Business Licence Policy which categorised business by the number of employees and the value of annual turnover as follows:

- A micro enterprise employs 1-5 persons, with an annual turnover of less than $25,000;
- A small enterprise employs 6-10 persons, with an annual turnover of less than $125,000,
- A medium enterprise employs 11-20 persons, with an annual turnover of less than $200,000; and
- A large enterprise employs more than 20 persons, with an annual turnover of more than $200,000.

Using the employee criterion only (that is less than 20 employees), 94% of all enterprises could potentially apply to the programme. Under the turnover criterion (that is less a $200K annual turnover), 70% of all enterprises could be deemed MSMEs therefore potentially eligible for the programme. However, the majority of enterprises would fall outside of any groupings if both criteria were used to categorise MSMEs. Therefore, a decision was made to abandon the use of both criteria to define MSMEs in this instance, and instead either the number of employees or the annual turnover criterion would be used.

Given the absence of a database that contained comprehensive information on business turnover, the number of employees criteria has been used to define a MSME. The following sources of information were used to determine the number of businesses based on employee categories: the Department of Trade, Investment Promotion & Consumer Affairs database, Social Security Board (SSB) registrations, Reopening Business Impact

Survey[1], COVID-19 Business Impact Survey[2], and Workforce Assessment Survey – Labour Department[3].

Table 1 below shows the frequencies for each business categories. The number of MSMEs was estimated at 3,571.

Table 1 – Estimated number of Businesses in the BVI by Number of Employees

Business Type	Number of Employees	Estimate Number of Businesses
Micro & Small	Less than or equal to 10	3,312
Medium	11 - 20	259
Large	> 20	227
Total		3,798

2.2 Impacted MSMEs

To determine an estimate for the number of MSMEs that were affected by COVID-19 and could potentially apply to the programme, information from two data sources were used: Reopening Business Impact Survey and Workforce Assessment Survey – Labour Department. Information on the numbers of non-operational businesses and those operating with less activity after the "soft" re-opening was examined to determine the number of businesses that could potentially apply for assistance[4]. This number was estimated at 2,717 MSMEs. See Table 2.

Table 2 – Estimated Number of Impacted MSMEs

Business Type	Estimate Number of Impacted Businesses
Micro & Small	2,522
Medium	195
Total	2,717

[1] The soft opening was between 10th – 19th April (2 weeks) during which businesses (approved by Environmental Health) were open for a limited period of time.

[2] To gauge the impact of the virus on business activity a COVID-19 Business Impact Survey was conducted by the Government/Task Force between 9th April and 19th April 2020. Information is based on the responses of 401 businesses across sectors.

[3] Businesses were urged to call in/email the Labour Department to complete a form about their business activity, and the status of their employees.

[4] This number was obtained by subtracting the estimated number of non-operational businesses from the total businesses and then applying the percentage of businesses that experienced less activity to the resulting total number of businesses.

2.3 Grant Allocation

One possible way of allocating the grant funds among businesses is to do so equally, that is dividing the $6.5 million by the 2,717 estimated number of businesses that were affected by COVID-19 pandemic and could potentially apply for assistance. This would result in a distribution of approximately $2,400 among each business. However, this method and any other approach that fails to consider the impact of the crisis on each business would not present a tangible and equitable approach, and therefore would not realistically provide the level of assistance that would enable an MSME to recover from and/or survive the negative impacts of COVID-19.

Understanding the impact of COVID-19 on a business is therefore critical in determining the amount of the grant allocation. For the purposes of this programme "loss in business revenue" as a measure of impact would result in a more targeted and equitable distribution of funds, with the greatest positive effect on the MSME sector and the overall economy.

As part of the application process MSMEs are required to provide information on revenues and expenditures pre-COVID-19 and during the COVID-19 period to date. This will be used to calculate a value loss figure which will be important in determining the amount of funds a business is granted. Since the needs of the businesses will most definitely outstrip the value of the programme ($6.5 million) MSMEs will only be able to receive a certain percentage of losses in the form of a grant. Since there is no financial data currently available on MSMEs the determination of the percentage (%) distribution of funds to eligible businesses will be made after the application deadline, and once the data received from the business applicants has been analysed.

3.0 Application Process

3.1 Eligibility

The following eligibility requirements have been proposed for qualification for the MSME Grant Programme.

MSME Businesses must:

1. have a valid trade license with all payments up to date. Businesses that are currently not up to date are required to do so by the end of the application deadline.
2. have 20 employees or less.
3. have commenced operations prior to January 31, 2020
4. be in operation now or planning to resume operation once the borders are open for visitors

3.2 Application Requirements

MSME businesses are required to complete an application form and submit electronically. Applications will be available on the Government's Website, and shall be completed online. Provisions have been made for uploading supporting documents electronically. Provisions will also be made through the Department of Trade Investment Promotion & Consumer Affairs to assist applicants who may have difficulty completing an electronic application form or do not have access to a computer or the internet.

Applicants will also be required to provide a brief statement outlining how the pandemic affected the business and also explain what the funds will be used for if granted.

The following supporting documents and information will also be required and the Department of Trade Investment Promotion & Consumer Affairs may request additional information from applicants as necessary.

1. A copy of the valid trade licence for the applicable business;

2. Proof that the business has been in operation prior to January 31, 2020. It may be in the form of records of previous trade licences, and previous financial records;

3. Proof that the business is in good standing with the following bodies:
    a. National Health Insurance: a copy of the good standing certificate or authorized payment plan from the NHI
    b. Social Security Board: a copy of the good standing certificate or authorized payment plan from the SSB
    c. Inland Revenue Department: a copy of the good standing certificate or authorized payment plan from the IRD

4. Other supporting documents may include the following, where possible:
    a. Financials (Revenue & Expenditure)
    b. Evidence of payable accounts (such as invoices and unpaid bills)
    c. Human resources (staff complement)

4.0 Selection and Monitoring and Evaluation Process

Assessment of the applications will begin immediately starting with determination of eligibility. Applicants at the beginning of the online application process will be required to answer a series of eligibility questions. Only eligible applicants will be allowed to proceed with the application. At the close of the application process all eligible applicants will be ranked based on: the level of compliance regarding meeting statutory fee obligations; type of business ownership; and the value of the percentage difference between profit/loss pre-COVID-19 and during COVID-19. For example, a MSME that has met all statutory payments and has a greater percentage loss will rank higher than one who has

not met its statutory payments or has not arranged a payment plan and has a smaller percentage loss. Ranking is being used to optimise the allocation of the grant based on fair and transparent criteria. Suggested grant amounts will be determined as outlined in section 2.3.

Although the process is automated the Committee, which was established by Cabinet will review the list of selected beneficiaries for the grant and the grant allocation amount before submission to the Minister of Finance for final review and approval.

The Committee will also be responsible for monitoring and evaluation of the programme. The programme will be monitored and evaluated by collecting information through participant surveys, focus group discussions and interviews carried out periodically during and after the implementation period.

The following output and outcome measures could be utilised to assess the performance and impact of the programme. This information would also be useful in informing future policy interventions in the MSME sector.

OUTPUT INDICATORS	OUTCOME INDICATORS
Number of businesses receiving grants through programme by sector and business type	Proportion of businesses receiving grant still in operation after six (6) months
$ value granted by business	Number of employees retained
$ value expenditure of funds by business and by expenditure category	% increase in revenue for businesses provided with grant
	% satisfied recipients with the MSME Grant Programme

The Department of Trade, Investment Promotion & Consumer Affairs will review the supporting documents with the applications, and check the validity of the compliance information stated by the applicants.

5.0 Payment of Grants

Grants will be processed and disbursed in accordance with Cabinet's decision from the approved Small Business Sector Grant Programme via the COVID-19 Economic Stimulus Package in the amount of six million five hundred thousand dollars ($6,500,000.00) from the Social Security Board.

Payments will be made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense.

Payments in support of overheads, purchases, or debt repayments will be made directly to suppliers and vendors on behalf of the business, subject to the submission of proforma

invoices. Statutory fees and taxes will be paid through appropriate submission of vouchers and other cross governmental transactions, upon the receipt of official records. Salaries and wages will be paid directly to the business upon the submission of official payroll records.

6.0 Query & Grievance Mechanisms

Any business applicant who wishes to query or lodge any grievance regarding the decision made on their application may do so by written correspondence addressed to Permanent Secretary Premier's Office. Such written correspondence must be submitted to the Premier's Office within 14 days after receipt of the decision from the Committee regarding their business's application for the Small Business Sector Grant Programme. The Committee will review the particulars and respond to the business applicant within 14 days of receipt of the query or grievance letter.

7.0 Training in Financial Management

It is generally accepted that the foundation for success of any business includes the existence of a business plan and strategy that serves as a guide to business decisions and an operating and reporting infrastructure. Such infrastructure allows a business to measure the successful implementation of its plans and programmes; and provide a basis for making adjustments where necessary.

To ensure that MSMEs are given the greatest chance of success, information will be gathered as part of the application process to determine the extent to which applicants have in place the fundamental business tools (business plans, financial and reporting infrastructure etc.), that are necessary for business success and for the development of entrepreneurial skills.

For those applicants who do not have the necessary business tools in place, provision will be made for applicants to attend a one (1) day certificate training programme, aimed at sensitising applicants to the importance of these tools and providing general guidance, in the first instance, for their implementation, as well as to strengthen their entrepreneurial skills.

8.0 Other Considerations

The Government including Statutory Bodies has launched a plethora of assistance programmes as part of the Economic Response Plan – Phase 2 targeting in some form the MSME sector directly or indirectly. These include the BVI Electricity Corporation's COVID-19 Amnesty Programme, Economic Stimulus to farmers and fisherfolk, House of Assembly of the Virgin Islands COVID-19 Assistance Programme, COVID-19 Unemployment/Underemployment Benefit administered by the Social Security Board and the United Nations Development Programme grant programme for food operators.

Creation of a central repository of data and information on the recipients of assistance from the various programmes will be very beneficial in understanding the types of businesses that have been impacted by COVID-19, the extent that the crisis has affected their businesses, and the type and level of assistance they have received. Moreover, such information will be valuable in guiding and shaping future economic assistance policy initiatives, and thus ensure the best usage of taxpayer funds.

9.0 Conclusion

The length and depth of the impact of COVID-19 on small vulnerable states like the BVI is still unknown. As the Territory braces for further declines in economic activity and growth, sustained Government intervention may be required over the medium-term. Other phases of economic support and economic stimulation may still need to be targeted to the MSME sector. MSME's are a vital component of the BVI's sustainability and will continue to be affected as the crisis is prolonged, especially as the tourism industry remains depressed with added threats from potential hurricanes, earthquakes and other catastrophic events. . Consequently, following the implementation of this programme and assessment of its level of coverage, the Government may definitely need to consider in its Phase 3 response additional support to MSMEs. This could take the form of additional grants, as well as soft loans and technical advice.

Economic Stimulus for Farmers and Fishermen

- Circulated

- 20 March 2020

- PO

- File: PO/H1/013

- Mrs. Elvia Smith-Maduro

Background Information

1)As the Territory continues to monitor the regional and international development with respect to the Coronavirus (COVID-19), and to implement precautionary measures to prevent the virus from getting across our borders, we must also consider the economic impact that will be realised in the various sectors as a result of travel restrictions and social distancing requirements.

2)As the virus continues to spread rapidly across the globe, many countries have already imposed travel restrictions on their citizens and travel bans on visitors from countries who have reported confirmed cases of the virus. It can be expected that as the virus continues to rapidly spread across the United States of America (which is the main food supply source for the BVI) we must begin to prepare for a possible shut down of the United States borders as a measure of containment. Food security is critical particularly as the situation remains fluid and there is much uncertainty surrounding the duration of the current outbreak.

3)As seen in the aftermath of the hurricanes of 2017 and now with the declaration of COVID-19 as a Global pandemic, the Territory's ability to access fresh, nutritious food particularly during times of crisis is of great concern. Domestic fisheries and agriculture

must be given high priority at this time to ensure that a certain percentage of the food required is grown and harvested locally.

4)There are currently thirty-three (33) registered commercial fishing vessels and twenty (20) pending vessel approvals for registration and licensing. Commercial farmers are estimated at between forty (40) to sixty (60).

5)The expected impacts of COVID 19 on the local agricultural and fisheries sector, include the following;

6)**1. Inaccessibility to resources – (e.g.livestock feed, seeds, fertilizers, irrigation materials, gas, ice, fishing equipment, etc.)**

7)**2. Physical inability to farm or fish if affected by the virus (individual or families)**

8)**3. Inability to market produce effectively due to restrictions on public gatherings / recommendations for social distancing**

9)**4. Increase in illegal fishing activity**

10)**5. Loss of tourism related revenue**

11)**6. Increased demand for local fish, meat and produce**

12)It is therefore important that assistance be given to fishers and farmers during this critical time to supplement whatever income that maybe loss during the COVID-19 crisis and to also assist them to better meet the local demand that will result due to possible reduction in imports. The typical needs of fishers and farmers along with specific recommendations are attached in the summary report on Expected Impacts of COVID-19 on the Agricultural and Fishing Industry of the Virgin Islands attached as**Appendix I.**

13)Cabinet is therefore asked to approve **two million dollars ($2,000,000.00)**for the development of an economic stimulus package for fishers and farmers.

Purpose

14)To approve a total of **two million dollars ($2,000,000.00)**as an economic stimulus package for fishers and farmers during the COVID-19 crisis.

Cross-Ministry Consultation

15)The Ministry of Education, Culture, Youth Affairs, Agriculture and Fisheries has been invited to provide comments to the decision sought.

Financial Implications

Issues

We found the following Issues to this Program:

The stimulus plan for the Fishermen and Farmers have helped many Farmers and Fishermen to purchased materials and equipment for their small businesses, however, there are some shortcomings with the plan. They are as follows:

- Most of the seniors who do not listen to radio or may not have computer or internet may have missed the opportunity to apply for the well needed stimulus grant.

- In addition to the Representatives, a special group should have been established to assist the seniors and those who cannot read in the preparation of the application form.

- With so many applications for Farmers and Fishermen, there should have been field officers to check and ensure that applicants are using the funds for what it was intended for.

- Many Farmers and Fishermen lack the necessary apparatus which were required to applied for the funding via electronic medium.

- Many of the Farmers are small business owners who over the years have not been encouraged to put necessary accounting, bookkeeping, and proper business procedures in place, they have what is called a cash business. This make for their inability to comply with the arduous process that was required for processing for a grant. As a result, it was agreed for all the elected representatives to reach out in their various distracts to get aid to many of the Farmers and Fisher folks.

- A lot of these Farmers and Fishermen do not have or use social media platforms or Facebook accounts, and so many times the information did not reach to them, therefore, it was imperative to employ a process to reach as many of the intended audience as possible, as this group is a vulnerable part of the population socially.

App. E1 – Commercial Farmers

Commercial Farmers Registered for Economic Stimulus

	First Name:	Last Name:	Status	District	Main Source of Income
1	[redacted]	[redacted]	Belonger	1	Sales Clerk
2			Belonger	1	Farming
3			Belonger	1	Farming
4			Belonger	1	Government Employee
5			Resident status	1	Customs
6			Belonger	1	Farming
7				1	
8			Belonger	1	Farming
9			Belonger	1	Farming
10				1	Pension
11			Belonger	2	Pension
12			Belonger	2	Land Surveying
13			Belonger	2	Maintenance of School
14			Belonger	2	Farming
15			Belonger	2	Non-profit/Education
16			Belonger	2	Farming
17			Belonger	3	SSB/National Health
18			Resident status	3	Farming
19			Belonger	3	Farming
20			Belonger	3	Construction
21			Belonger	3	Farming
22			Work permit holder	3	Restaurant or food
23			Belonger	3	Farming
24			Belonger	4	Proprietors
25			Belonger	4	Taxi driver

	First Name:	Last Name:	Status	District	Main Source of Income
26	[redacted]	[redacted]	Resident status	4	Farming
27			Belonger	5	Farming
28			Belonger	5	Farming
29			Belonger	5	Farming
30			Belonger	5	Pension
31			Belonger	5	Taxi driver
32			Belonger	6	Farming
33			Belonger	6	Self Employed. Farmer
34			Belonger	6	Government
35			Belonger	6	Farming
36			Belonger	7	Farming
37			Belonger	7	Firefighter
38			Belonger	7	Farming
39			Belonger	7	Farming
40			Belonger	7	Farming
41			Belonger	7	Farming
42			Belonger	7	Farming
43			Belonger	7	Farming
44			Belonger	7	Farming
45			Belonger	7	Farming
46				7	
47				7	
48			Belonger	7	Wickhams Cay
49			Resident status	7	Farming
50			Belonger	7	Farming
51			Belonger	7	Social Security Income
52			Belonger	8	Farming
53			Belonger	8	Supervisor
54			Belonger	8	Farming

	First Name:	Last Name:	Status	District	Main Source of Income
55	[redacted]	[redacted]	Belonger	8	Farming
56			Belonger	8	Security Officer
57			Belonger	8	Pension
58			Resident status	8	Pension
59			Belonger	8	Farming
60				8	
61			Belonger	8	Farming
62			Belonger	8	Pension
63			Belonger	8	Farming
64			Belonger	8	Pension
65			Belonger	8	Marine/electrical
66			Belonger	8	Construction
67			Belonger	8	Farming
68			Belonger	8	Taxi driver
69			Belonger	9	Farming
70			Belonger	9	Farming
71			Belonger	9	Employed by BVI
72			Belonger	9	Civil Servant
73			Belonger	9	Airport Supervisor
74			Belonger	9	Teacher
75			Belonger	9	Farming
76				9	
77				9	
78			Belonger	9	Employed
79			Belonger	9	Taxi driver
80			Belonger	9	Landlord

	First Name:	Last Name:	Status	District	Main Source of Income
81	[redacted]	[redacted]	Resident status	9	Gardening /
82				9	
83			Belonger	9	Farming
84			Belonger	9	Restaurant or food vendor
85			Belonger	9	Farming
86			Belonger	9	Farming
87				9	
88			Belonger	9	Pension
89				9	
90			Resident status	9	Farming
91			Belonger	9	Farming
92				9	
93			Belonger	9	Tourism
94			Belonger	9	Restaurant or food
95			Resident status	9	Villa Rentals

App E. - List of licensed Commercial fishermen

COMMERCIAL FISHERMEN REGISTERED FOR ECONOMIC STIMULUS					
No.	First Name	Last Name	Status	District	Main Source of Income
1	[redacted]	[redacted]	Belonger	1	Fishing
2			Belonger	1	Fishing
3			Belonger	1	Farming
4			Belonger	1	Fishing
5			Belonger	2	Government
6			Belonger	2	Watersports operator
7			Belonger	2	Fishing
8			Belonger	2	Technician
9			Belonger	2	Claims Adjuster
10			Belonger	2	Fishing
11			Belonger	2	Government
12			Belonger	3	Fishing
13			Belonger	3	Fishing
14			Belonger	3	Fishing
15			Belonger	4	Fishing
16			Belonger	4	Fishing
17			Belonger	5	Vessel Captain
18			Belonger	5	Fishing
19				5	
20			Resident status	6	Fishing
21				7	
22			Belonger	7	Fishing
23			Belonger	8	Fishing
24			Belonger	8	Fishing
25				9	

26	[redacted]		[redacted]		9	
27				Belonger	9	Fishing
28					9	
29					9	
30				Belonger	9	Fishing
31				Belonger	9	Fishing
32				Belonger	9	Fishing
33				Belonger	9	Fishing
34				Belonger	9	Fishing
35				Belonger	9	Fishing and Hotel/ Restaurant Owner
36				Resident status	9	Fishing

Economic Stimulus for Farmers and Fishermen (COVID-19)

Signed · 20 March 2020 · MOF · File: FIN/E1/296 · Mr. Document Transfers · Memo No. 97/2020

Background Information

1) As the Territory continues to monitor the regional and international development with respect to the Coronavirus (COVID-19), and to implement precautionary measures to prevent the virus from getting across our borders, we must also consider the economic impact that will be realised in the various sectors as a result of travel restrictions and social distancing requirements.

2) As the virus continues to spread rapidly across the globe, many countries have already imposed travel restrictions on their citizens and travel bans on visitors from countries who have reported confirmed cases of the virus. It can be expected that as the virus continues to rapidly spread across the United States of America (which is the main food supply source for the BVI) we must begin to prepare for a possible shut down of the United States borders as a measure of containment. Food security is critical particularly as the situation remains fluid and there is much uncertainty surrounding the duration of the current outbreak.

3) As seen in the aftermath of the hurricanes of 2017 and now with the declaration of COVID-19 as a Global pandemic, the Territory’s ability to access fresh, nutritious food particularly during times of crisis is of great concern. Domestic fisheries and agriculture must be given high priority at this time to ensure that a certain percentage of the food required is grown and harvested locally.

4) There are currently thirty-three (33) registered commercial fishing vessels and twenty (20) pending vessel approvals for registration and licensing. Commercial farmers are estimated at between forty (40) to sixty (60).

5) The expected impacts of COVID 19 on the local agricultural and fisheries sector, include the following;

6) **1. Inaccessibility to resources – (e.g.livestock feed, seeds, fertilizers, irrigation materials, gas, ice, fishing equipment, etc.)**

7) **2. Physical inability to farm or fish if affected by the virus (individual or families)**

8) **3. Inability to market produce effectively due to restrictions on public gatherings / recommendations for social distancing**

9) **4. Increase in illegal fishing activity**

10) **5. Loss of tourism related revenue**

11) **6. Increased demand for local fish, meat and produce**

12) It is therefore important that assistance be given to fishers and farmers during this critical time to supplement whatever income that maybe loss during the COVID-19 crisis and to also assist them to better meet the local demand that will result due to possible reduction in imports. The typical needs of fishers and farmers along with specific recommendations are attached in the summary report on Expected Impacts of COVID-19 on the Agricultural and Fishing Industry of the Virgin Islands attached as**Appendix I.**

13) Cabinet is therefore asked to approve **two million dollars ($2,000,000.00)**for the development of an economic stimulus package for fishers and farmers.

Purpose

14) To approve a total of **two million dollars ($2,000,000.00)**as an economic stimulus package for fishers and farmers during the COVID-19 crisis.

Cross-Ministry Consultation

15) The Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture supports the decision sought with respect to the economic stimulus package for fishers and farmers during the COVID-10 crisis as well as the establishment of the working group. The Ministry recommends that a representative from the Department of Agriculture should also be added to the working group and that systems be put in place to guard against misuse of the grants to be offered.

Permanent Secretary, Education, Culture, Youth Affairs, Fisheries and Agriculture stated:

16) The Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture supports the decision sought with respect to the economic stimulus package for fishers and farmers during the COVID-10 crisis as well as the establishment of the working group. A representative from the Department of Agriculture should also be added to the working group. Extreme care must be taken when determining the criteria for grants given past experiences with misuse of funds granted to fishers and farmers. Additionally, emphasis must be placed on commercial fishing and farming to determine those eligible to receive assistance through the stimulus package.

Financial Implications

17) The Ministry of Finance is in support of the decision sought as it seeks to address the concerns of food security during this global crisis through the proposed grant for fishermen and farmers. Development of the criteria for

grants is an important element of the process for transparency and good governance purposes.

18) Notwithstanding the proposal for the Ministry of Finance to have representation on the working group to advise on the criteria for distributing the grants/assistance under the stimulus package, Cabinet need to approve the list of criteria upon the advise of the Minister of Finance after consultation with the Financial Secretary. The list of criteria must, among other things, include matters such as:

a. who can qualify for a grant;

b. maximum size of grants save for exceptional approval on a case-by-case basis;

c. produce (food items) under the programme should not be sold at prices in excess of 5% above prevailing prices one week before measures to combat COVID-19 were put in place; and

d. etc.

Legal Implications

19) I have reviewed the draft Cabinet paper and advise that there appears to be no adverse legal implications for the Government if Cabinet were to make the decisions sought in the Cabinet Paper.

Budget

20) Funding to cover the recommended**two million dollars ($2,000,000.00)**for the development of an economic stimulus package for fishers and farmers can be taken from the Premier's Office Head 22204090 Subhead 551312.

Communication Strategy

21) The Government Information Services Department to develop the communication strategy regarding the decision once approved by Cabinet.

Conclusion

22) Cabinet is invited to concur with the decision sought.

Decision Sought

Cabinet is invited to

a. review and accept the summary report and recommendations of the Expected Impacts of COVID-19 on the Agricultural and Fishing Industry of the Virgin Islands attached as**Appendix I;**

b. approve an economic stimulus in the amount of **two million dollars ($2,000,000.00)** for fishers and farmers during the COVID-19 crisis;

c. agree that funds be transferred from Head 22204090 Subhead 551312 to Head 22204090 Subhead 561100 in the next available Supplementary Appropriation Provision (SAP) to cover this initiative;

d. approve that payment be made from Premier's Office Head 22204090 Subhead 561100 Farmers/Fishermen Assistance;

e. agree that a working group with technical persons from Premier's Office, Ministry of Education, Culture, Youth Affairs, Agriculture and Fisheries, Department of Agriculture and the Ministry of Finance be formed to develop the criteria for grants under this stimulus programme;

6. agree that the Permanent Secretary, Premier's Office chair the working group and that the Chairman select the recording secretary; and

7. an expedited extract be issued so that the decision of Cabinet can be implemented before the confirmation of the minutes.

Recipients: Attorney General, AGC; Permanent Secretary, MECAFSYA;

Hon. Andrew A. Fahie
Minister of Finance
20 March 2020

EXPEDITED EXTRACT

Ref: CO/C/079/2

FROM: Cabinet Secretary

TO: Minister of Finance

CC: Financial Secretary

DATE: 20th March, 2020

Economic Stimulus for Farmers and Fishermen (COVID-19)
Memo No. 97/2020

Further to the decision made by the Cabinet at the Special meeting on 20th March, 2020, below is the amended decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. reviewed and accepted the summary report and recommendations of the Expected Impacts of COVID-19 on the Agricultural and Fishing Industry of the Virgin Islands attached as **Appendix I**;

b. approved an economic stimulus in the amount of two million dollars ($2M) for fishers and farmers during the COVID-19 crisis;

c. agreed that funds be transferred from Premier's Office Head 22204090, Subhead 551312 to Head 22204090 Subhead 561100 in the next available Supplementary Appropriation Provision (SAP) to cover this initiative;

d. approved that payment be made from the Premier's Office Head 22204090 Subhead 561100 Farmers/Fishermen Assistance;

e. decided that a working group with technical persons from the Premier's Office, Ministry of Education, Culture, Youth Affairs, Agriculture and Fisheries, Department of Agriculture and the Ministry of Finance be established to develop the criteria for grants under this stimulus programme;

f. decided that the Permanent Secretary in the Premier's Office chair the working group and that the Chairman select the recording secretary;

g. decided that a progress report should be furnished to the Cabinet on a monthly basis, inclusive of the eligibility criteria and the process for application or distribution; and

h. decided that an expedited extract be issued so that the decision of the Cabinet can be acted upon before the confirmation of the Minutes.

Please be guided accordingly.

[redacted]

Ms. Sandra Ward
20th March, 2020

Economic Stimulus - Farmers and Fishermen

Signed · 27 April 2020 · MOF · File: FIN/G2/110 · Mr. Document Transfers · Memo No. 179/2020 · Extract No. REx/179/2020 (/decisions/394)

Background Information

1) As the on-going COVID-19 pandemic continues to develop, the Government of the Virgin Islands is committed to working together with all facets of the society on emergency preparedness and response. The British Virgin Islands continues to utilise a whole-of-Territory approach to manage its COVID-19 response.

2) In light of the COVID-19 pandemic, the Government recognised that the world economy was being devastated as countries faced shutdowns to prevent the spread of the virus. Government recognised that ports in the region and around the globe were closing. Additionally, Government recognised that globally, supermarkets would struggle to satisfy the demand, as panicking individuals were stockpiling goods in anticipation of shortages of essential items. Given these circumstances, Government placed food security as a major priority so that the BVI could become more self-sufficient.

3) As a result, on 20th March, 2020, Cabinet approved an economic stimulus package in the amount of two million dollars ($2M) via Cabinet Memo No. 97/2020, to stimulate the local Fishing and Farming sectors. A copy of the Cabinet Extract is attached as Appendix A.

4) The funding programme will be used to:

i. Purchase the supplies, among other areas, necessary to get our fisherfolks back in the water;

ii. Purchase the needed supplies to get our farmers back on their grounds; and

iii. Ramp up production and provide the local market with the food necessary to sustain ourselves in this Virgin Islands' economy.

5) Cabinet instructed that a working group be established, to include officers from the Premier's Office, Minister of Education, Culture, Youth Affairs, Fisheries and Agriculture, Department of Agriculture and the Ministry of Finance.

6) The names of the committee members are as follows:

i. Dr. Carolyn O'Neal-Morton – Chairperson - Permanent Secretary, Premier's Office

ii. Mrs. Carolyn Stoutt-Igwe - Permanent Secretary, Ministry of Education Culture Youth Affairs, Fisheries and Agriculture

iii. Mrs. Arliene T. Penn – Recording Secretary (Director of Communications)

iv. Mr. Jeremiah Frett, Ministry of Finance

v. Mr. Theodore James, Director Department of Agriculture and Fisheries

vi. Mrs. Tessa Smith-Claxton – Assistant Secretary, Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture

vii. Mrs. Elvia Smith Maduro – Deputy Secretary, Premier's Office

viii. Mr. Khoy Smith – Farmer

ix. Mr. Curtis Smith - Fisherman

7) The mandate of the working group is to:

i. provide the Cabinet of the Virgin Islands with recommendations for the effective implementation of the Rapid Response Fishing and Farming Programme.

ii. provide Cabinet with monthly updates on the progress of implementation of the Rapid Response to Fishing and Farming Programme.

8) The working group had three (3) meetings and has developed the following documents for Cabinets review and approval:

i. criteria and eligibility document;

ii. application form;

iii. priority listing, for farming and fishing;

iv. updated farmers and fishermen list; and

v. templates and production logs for reporting.

9) A copy of the above documents are attached as **Appendices B, C, D,E, and F**respectively.

10) Farmers and fishers interested in the stimulus were encouraged to register with the Department of Agriculture and Fisheries. They were also asked to complete an online survey which captured details for each fisher and farmer, including the extent of each farming and fishing operation, their challenges and areas of greatest need. A summary of the most common challenges and areas of need are summarised in the report attached at **Apppendix G**. The main challenges reported by farmers include water supply, theft, access to suppliers /

import costs, lack of land, access to seeds / seedlings, poor soil, difficult terrain, plant pests and diseases, invasion by livestock, animal diseases and parasites, just to name a few.

11) The most common needs reported by farmers include Barbed wire, Fence Posts,Fencing, Fruit trees, Greenhouse material, Ground Cover, Irrigation Material, Livestock (Seed stock), and water tanks just to name a few.

12) Fishermen reported challenges to include fuel prices, high cost of vessel and engine repair and maintenance, fish stock depletion, lack of landing site for fish, vessel storage, fish storage, marketing and sale of fish caught. The most common needs of fishermen were reported to include engines, fish coolers, fishing equipment, fuel, ice, navigation equipment and repairs to boats and engines.

Implementation Process

13) **Farmers and Fishermen are required to complete and submit application form to the Permanent Secretary, Premier's Office.**

i. Applications will be made available on the Government Website or can be emailed to applicant upon request.

ii. Farmers or Fishermen who do not have access to a computer or the internet can be assisted by their District Representative or District Officer to complete and submit the application form. Persons can also be assisted by Premier's Office Staff in completing the application via telephone.

14) **Documentation for submission with application**

i. Completed application form

ii. Proof of Status

iii. Estimate of materials, or equipment required with photos where possible; and

iv. Copy of Trade License or Fishing License

15) Assessment Process

i. Each applicant who passes the criteria will be assessed and verified by the Department of Agriculture and Fisheries prior to approval.

ii. Each applicant who passes the criteria and who requested repairs to physical structures will be assessed by Public Works Department or a certified contractor who will further determine the needs and costs to repair structure.

16) Payment of Grants

i. Payments will be processed by the Premier's Office from Head 22204090 Subhead 561110 Assistance to Farmers/Fishermen

ii. Approval of individual grant amounts will require signature of the Premier and Minister of Finance before vouchers are processed.

iii. Payments will be made directly to suppliers on behalf of the farmer or fisherman subject to the submission of pro forma invoices.

iv. Payment of labour cost for repairs will need to be verified by Public Works Department before payment can be processed. Photos of completed works will be required as proof of works completed.

Purpose

17) The purpose of this paper is for Cabinet to review and approved the criteria and eligibility document, the priority areas for farming and fishing, the application form and production log for reporting; that will be used to approve disbursement of funds to farmers and fishermen from the $2M economic stimulus facility.

Cross-Ministry Consultation

18) Cross ministry consultation was facilitated through representation of members of the working group from the Ministry of Education, Youth Affairs, Agriculture and Fisheries, the Department of Agriculture and the Ministry of Finance who all made contributions to the development of the documents being submitted for Cabinets's consideration.

Permanent Secretary, Education, Culture, Youth Affairs, Fisheries and Agriculture stated:

19) The Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture supports the decision sought (1-4; 6). Farmers and fishers have already completed an electronic application form which captures the necessary information. Only farmers and fishers who meet the criteria and are approved should be required to complete and submit any further documentation. Payment is expected to be made to vendors and not directly to farmers and fishers. I would recommend that Appendices F, F1 and F2 be removed from the Paper as they are not relevant at this stage, but they will have to be customised for the local context. This information will be relevant for the monitoring and evaluation phase as production and reporting logs are direct responsibilities of the Department of Agriculture and Fisheries.

Financial Implications

20) The implementation methodology presented in the Cabinet Paper for the distribution of the economic stimulus packages to farmers and fishermen has been noted. The process seeks to put in place a transparent process for the application and screening process and the recording of information for future analysis and policy decision. However, the eligibility criteria for fishermen requires that there should "be an existing licensed commercial fisher as defined under the Virgin Islands Fisheries Act, 1997 and Regulations 2003; or have held a commercial fishing licence within the past five years" appears to be a stringent requirement. Such requirements would exclude unregistered fishermen throughout the Territory. A more prudent approach is to use this opportunity to regularise the fishermen while providing them with the needed resources to maintain their livelihood.

Legal Implications

21) While I have not discerned any immediate adverse legal implications for the Government in providing a stimulus for farmers and fishermen it is important that the policy be implemented fairly and in a non-discriminatory manner to bona fide farmers and fishermen based on effective and credible assessments and standards.

Budget

22) An amount of $2M will be transferred from Premier's Office Head 22204090, Subhead 551312 to Head 22204090 Subhead 561100 in the next available Supplementary Appropriation Provision (SAP) to cover this initiative. Disbursements to farmers and fishermen will be made from the Premier's Office Head 22204090 Subhead 561100 Farmers/Fishermen Assistance.

Communication Strategy

23) The normal Cabinet process will be used. In addition the Government Information System Department will be developing a comprehensive public relations campaign to promote this initiative and report on the implementation progress.

Conclusion

24) Cabinet is asked to concur with the decision sought.

Decision Sought

Cabinet is invited to:

a. approve the criteria document to assess the eligibility of farmers and fishermen qualification for assistance through the COVID-19 Economic Stimulus Response two million dollars ($2M) facility attached at **Appendix B**;

b. approve the application form for farmers and fishermen to apply for assistance through the COVID-19 Economic Stimulus Response $2M facility attached at **Appendix C**;

c. approve the priority areas list for farming and fishing attached at **Appendix D**;

d. note the updated list of registered commercial farmers and fishermen attached at **Appendix E**;

e. approve the templates and production logs for reporting and accountability in the various areas to be completed by the Department of Agriculture and Fisheries on a monthly basis attached at **Appendix F**;

f. approve that the initiative is audited on a monthly basis by the internal auditor and the report forwarded to Cabinet by the Minister of Finance

within one (1) month after receipt; and

g. decide that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Recipients: Financial Secretary, MOF; Attorney General, AGC; Permanent Secretary, MECAFSYA;

Hon. Andrew A. Fahie
Minister of Finance
27 May 2020

EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
27th May, 2020

Economic Stimulus - Farmers and Fisherman -Memo No. 179/2020

Further to the decision made by the Cabinet on 27th May, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. approved the criteria document to assess the eligibility of farmers and fishermen qualification for assistance through the COVID-19 Economic Stimulus Response two million dollars ($2M) facility attached at **Appendix B**;

b. approved the application form for farmers and fishermen to apply for assistance through the COVID-19 Economic Stimulus Response $2M facility attached at **Appendix C**;

c. approved the priority areas list for farming and fishing attached at **Appendix D**;

d. noted the updated list of registered commercial farmers and fishermen attached at **Appendix E**;

e. approved the templates and production logs for reporting and accountability in the various areas to be completed by the Department of Agriculture and Fisheries on a monthly basis attached at **Appendix F**;

f. approved that the initiative is audited on a monthly basis by the internal auditor and the report forwarded to Cabinet by the Minister of Finance within one (1) month after receipt; and

g. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.
Ms. Sandra Ward
27th May, 2020

IN THE MATTER OF THE TERRITORY OF THE VIRGIN ISLANDS COMMISSION OF INQUIRY 2021

AND THE COMMISSION OF INQUIRY ACT (CAP 237) ("the Act")

AUDITOR GENERAL'S RESPONSE TO THE OFFICE OF THE PREMIER'S COMMENTS CONCERNING THE FARMERS AND FISHERS AND SCHOOLS AND CHURCHES GRANT PROGRAMMES

ATTACHMENTS WITH AUDITOR GENERAL'S SUBMISSION

1	Eligibility Criteria Economic Stimulus Farmers and Fishers	1-3
2	Application for Stimulus Assistance Farmers and Fishermen	4-5
3	Press Release on Stimulus Grants for Farmers and Fisherfolk	6
4	Poster for Farmers and Fisherfolk Programme	7
5	Farmers Needs Requests 7th District	8-9
6	Supporting Information for Payment Request to Treasury	10-14
7	Policy Brief for Schools and Religious Institutions	15-22
8	Recommended Grants for Religious Institutions	23-24
9	Recommended Grants for Churches	25
10	Application Questionnaires for Schools and Daycares	26-28
11	Application Questionnaire for Religious Institutions	29-30
12	Declaration Forms Signed by Grant Recipients	31-32
13	Article Investigation: Stonecrest mayor's church received unsolicited $150K grant	33-35
14	Summary of Email Exchange	36-37
15	Additional Emails	38-48

4 October 2021

1.0 Eligibility Criteria – Economic Stimulus Farmers and Fishermen

1.1 Farmer

Farmers must:

- ❑ be registered with the Department of Agriculture and Fisheries; or
- ❑ provide a notarized letter of referral from a fit and proper person verifying that you have been engaged in farming for the past three years if not registered with the Department of Agriculture and Fisheries.
- ❑ depend on farming as a source of income;
- ❑ be engaged in commercial agriculture as defined in Table 1; or have been engaged in commercial agriculture within the past three years; or
- ❑ provide sufficient information of your engagement in commercial agriculture within the past three years in a manner not covered in table 1 for consideration for approval by the Minister of Agriculture.

Table 1: Scale of Commercial Agriculture in the Virgin Islands

FARM TYPE	SMALL	MEDIUM	LARGE
Broiler	50-500	>500	>1,000
Layer	50-500	>500	>1,000
Duck	50-500	>500	>1,000
Sheep	10 Ewes	11-25 Ewes	>25 Ewes
Goat	10 Does	11-25 Does	>25 Does
Cattle	5 Cows	6-20 Cows	>20 Cows
Pig	5 Sows	6-15 Sows	>15 Sows
Rabbit	20 Does	21-50 Does	>50 Does
Crop	10890–21780sq.ft.	21781- 43560sq.ft.	>43560sq.ft.

Any level of agriculture below small commercial will be considered as backyard farming. Farmers who do not meet the criteria as stipulated for commercial farming will not benefit from the stimulus package.

1.2 Fishermen

Fishermen must:

- ❑ be an existing licenced commercial fisher as defined under the Virgin Islands Fisheries Act, 1997 and Regulations 2003; or
- ❑ have held a commercial fishing licence within the past three years; or
- ❑ ; provide a notarized letter of referral from a fit and proper person verifying that the fisherman have been engaged in fishing for the past three years if he or she does not have an existing commercial fishing licence.

2.0 Implementation Process

2.1 Farmers and Fishermen are required to complete and submit application form to the Permanent Secretary, Premier's Office.

- Applications will be made available on the Government Website, or can be emailed to applicant upon request, or hard copies can be collected from the Ministry of Education; or the District Offices on Virgin Gorda, Anegada; and Jost Van Dyke; or from the Sister Islands Coordinator; or from the District Representatives; or a Territorial At Large Representative; or persons can collect the application form from the Premier's Office.
- Farmers or Fishermen who do not have access to a computer or the internet can be assisted by their District Representative or District Officer, or Sister Islands Coordinator; or one of the Territorial At Large Representatives; or can come to the Premier's Office where staff will be available to assist in the completion and submission of the application form. Persons can also be assisted by Premier's Office Staff in completing the application via telephone.

2.2 *Documentation required for submission with Application*

1. Completed application form
2. Proof of Status (Virgin Islander, Belonger, Resident or Naturalised Citizen)
3. Estimate of materials, works to be done, or equipment required with photos where possible
4. Copy of Trade License or Fishing License or the notarized letter verifying engagement in farming or fishing for the past three years.

2.3 *Assessment Process*

Each applicant who satisfies the criteria, prior to approval by the Premier's Office, will be assessed and verified by the Department of Agriculture and Fisheries or any other entity vetted and approved by the Premier Office.

Each applicant who satisfies the criteria and who requested repairs to physical structures, among other works will be assessed by Public Works Department or a licenced contractor or quantity surveyor vetted and approved by the Premier's Office who will further determine the needs and costs to repair structure, cut access roads to farm lands or any other works or material or resources that maybe required.

2.4 *Payment of Grants*

Payments will be processed by the Premier's Office from Head 22204090 Subhead 561100 Assistance to Farmers/Fishermen

Payments will be made directly to suppliers and contractor on behalf of the farmer or fisherman subject to the submission of proforma invoices.

Payment of labour cost for repairs and other approved works must be verified by Public Works Department or the Ministry of Finance Project Unit before payment can be processed. Photos of completed works before, during and after will be required as proof of works completed to assist in the verification for payments.

Approval of amounts that exceed $15,000.00 will require signature of the Minister of Finance before vouchers are processed.

GOVERNMENT OF THE VIRGIN ISLANDS

APPLICATION FOR STIMULUS ASSISTANCE
FARMERS & FISHERMEN

Date: _____ day of _____, 2020

APPLICATION DETAILS	
First Name:	
Middle Name:	
Last Name:	
Home Address:	
Contact Details:	Home: _____ Cellular Number: _____ Other: _____
Email Address:	
Status:	( ) Virgin Islander ( ) Belonger ( ) Resident Status ( ) Naturalised Citizen
Type of Business:	( ) Farmer ( ) Fisherman ( ) Both
What is your main Source of Income?	( ) Farming ( ) Fishing ( ) Other (Please specify) _____
What are your top three (3) immediate needs? (Rank them in order of importance)	(1) _____ (2) _____ (3) _____
Do you engage in fishing for commercial purposes?	( ) Yes ( ) No
Are you a licenced commercial fisherman?	( ) Yes ( ) No If no, please explain _____ _____

Do you engage in farming for commercial purposes?	( ) Yes ( ) No If no, please explain _____ _____
Are you a licenced commercial farmer?	( ) Yes ( ) No
Please indicate the topography of the land on which you farm.	( ) Flat ( ) Gently Sloping ( ) Steep
What crops do you farm?	
Please indicate which of the following categories of commercial enterprise applies to your farm.	***Farm Type – Poulty*** Broiler: ( )Small *(50-100)* ( ) Medium *(>500)* ( ) Large *(>1,000)* Layer: ( )Small *(50-100)* ( ) Medium *(>500)* ( ) Large *(>1,000)* Duck: ( )Small *(50-100)* ( ) Medium *(>500)* ( ) Large *(>1,000)* ***Farm Type – Sheep and Goats*** Sheep: ( )Small *(10 Ewes)* ( )Medium *(11-25 Ewes)* ( )Large *(>25 Ewes)* Goats: ( )Small *(10 Ewes)* ( )Medium *(11-25 Ewes)* ( )Large *(>25 Ewes)* ***Farm Type – Cattle*** ( )Small *(5 Cows)* ( )Medium *(6-20 Cows)* ( )Large *(>20 Cows)* ***Farm Type – Pigs*** ( )Small *(5 Sows)* ( )Medium *(6-15 Sows)* ( )Large *(>15 Sows)* ***Farm Type - Rabbits*** ( )Small *(20 Does)* ( )Medium *(21-50 Does)* ( )Large *(>50 Does)*

I certify that the facts set forth in the above application are true and complete to the best of my knowledge. I understand that falsified statements on this application in any detail shall be considered sufficient cause for disqualification from further consideration for hire or for dismissal.

Signature: _____ **Date:** _____

FOR MINISTRY USE ONLY

( ) Approved ( ) On Hold ( ) Pending ( ) Denied

Terms of Approval

_____

_____

Signature: _____ Date: _____

GOVERNMENT OF THE VIRGIN ISLANDS (/)

Economic Stimulus Grant Available For Farmers And Fisherfolk

Press Release

Premier's Office
Department of Agriculture and Fisheries
Topics: Farmers and Fisherfolks (/tags/farmers-and-fisherfolks), Novel Coronavirus (/tags/novel-coronavirus)
Release Date:
Friday, 5 June 2020 - 10:23pm



Premier and Minister of Finance, Honourable Andrew A. Fahie has said that assistance is available for local farmers and fisherfolk affected by COVID-19.

Premier Fahie said farmers can get assistance such as cutting of access roads to their farms and fencing for their properties, among other measures that will boost their food production.

He added that fisherfolk who are in need of engines, nets and other equipment can get the help they need to move forward as a result of this initiative, thereby also boosting their production.

The Premier said, "We need the food supply. We need to create the jobs. We need to boost fisheries, and we need to boost agriculture."

"This is our opportunity to finally make farming and fishing another one of our economic pillars, while giving us the ability to feed ourselves in case we are ever cut off from the rest of the world", he added.

To be able to qualify for the grant, farmer must be a be a BVIslander, Belonger, Naturalised Citizen or Permanent Resident, registered with the Department of Agriculture and Fisheries; or provide a notarised letter of referral verifying that the applicant has been engaged in farming for the past three years if not registered with the Department of Agriculture and Fisheries.

Additional requirements include, farmer must depend on farming as a source of income and is engaged in commercial agriculture as outlined by Scale of Commercial Agriculture in the Virgin Islands.

To qualify for a grant as a fisherfolk, one must be a BVIslander, Belonger, Naturalised Citizen or Permanent Resident, a licenced commercial fisher as defined under the Virgin Islanders Fisheries Act, 1997 and Regulations 2003, has held a commercial fishing licence within the past three years or provide a notarised letter verifying that they have been engaged in fishing for the past three years if he or she does not have an existing commercial fishing licence.

Registration forms are available online for the Economic Stimulus for Farmers and Fishermen at bvi.gov.vg. Applicants can apply from June 5 to July 3. Completed application forms must be submitted with proof of status, estimate of materials, works to be done, or equipment required with photos where possible and a copy of Trade Licence or Fishing Licence or the notarised letter verifying engagement in farming or fishing for the past three years.

GOVERNMENT OF THE VIRGIN ISLANDS

ECONOMIC STIMULUS FOR FARMERS AND FISHERFOLK

PHASE II of the

ECONOMIC RESPONSE PLAN

APPLICATION: DEADLINE JULY 3

Eligibility Criteria For FARMERS

Farmers must:

- be a BVIslander, Belonger, Naturalised Citizen or Permanent Resident;
- be registered with the Department of Agriculture and Fisheries; or
- provide a notarised letter of referral verifying that you have been engaged in farming for the past three years if not registered with the Department of Agriculture and Fisheries.
- depend on farming as a source of income;
- be engaged in commercial agriculture as outlined by the *Scale of Commercial Agriculture in the Virgin Islands* or have been engaged in commercial agriculture within the past three years; or
- provide sufficient information of your engagement in commercial agriculture within the past three years in a manner not covered in scale for approval by the Minister for Agriculture.

Scale of Commercial Agriculture in the Virgin Islands

FARM TYPE	SMALL	MEDIUM	LARGE
Broiler	50-500	>500	>1,000
Layer	50-500	>500	>1,000
Duck	50-500	>500	>1,000
Sheep	10 Ewes	11-25 Ewes	>25 Ewes
Goat	10 Does	11-25 Does	>25 Does
Cattle	5 Cows	6-20 Cows	>20 Cows
Pig	5 Sows	6-15 Sows	>15 Sows
Rabbit	20 Does	21-50 Does	>50 Does
Crop	10890 – 21780 sq.ft.	2178 – 43560 sq.ft	>43560 sq.ft.

FISHERFOLK

Fisherfolk must:

- be a BVIslander, Belonger, Naturalised Citizen or Permanent Resident
- be an existing licenced commercial fisher as defined under the Virgin Islands Fisheries Act, 1997 and Regulations 2003; or
- have held a commercial fishing licence within the past three years; or
- provide a notarised letter of referral verifying having been engaged in fishing for the past three years if he or she does not have an existing commercial fishing licence.

Applications forms are available on bvi.gov.vg.

Completed Application forms must be submitted with:

- Proof of status
- Estimate of materials,
- Works to be done, or equipment required with photos where possible
- A copy of Trade Licence or Fishing Licence or the notarised letter verifying engagement in farming or fishing for the past three years.

Completed forms with documents can be dropped off at the Premier's Office or sent via e-mail at premieroffice@gov.vg

FARMERS ECONOMIC STIMULUS GRANT PROGRAMME

Ref	First Name	Last Name	Farmers	Location	District	Requested Need	Cost of Request of each request	Total Cost of Request	Administrative Compliance	Amount Approved
1	[redacted]		x	[redacted]	[redacted]	Fence Posts & Fence	$ 2,594.05			
						Hymac to clean Land	$ 2,400.00	**$ 4,994.05**		
2	[redacted]		x	[redacted]	[redacted]	Water Tank	$ 3,863.97			
						Weed Eater Machine	$ 285.99			
						Fencing Cyclone	$ 458.97	**$ 4,608.93**		
4	[redacted]		x	[redacted]	[redacted]	Material For Pen	$ 824.94			
						Farming Machinery	$ 2,170.00	**$ 2,994.94**		
5	[redacted]		x	[redacted]	[redacted]	Poultry Pen goat,pig	$ 23,050.00			
						Freight	$ 7,850.00			
								$ 30,900.00		
6	[redacted]		x	[redacted]	[redacted]	Animal Feed	$ 2,490.00			
						Fencing Material	$ 2,306.00	**$ 4,796.00**		
8	[redacted]		x	[redacted]	[redacted]	Fencing	$ 1,583.64			
						Equipment	$ 2,448.90	**$ 4,032.54**		
12	[redacted]		x	[redacted]	[redacted]	Fencing	$ 111.99			
						Tank for Water	$ 941.98	**$ 1,053.97**		
13	[redacted]		x	[redacted]	[redacted]	Poultry equipment				
						Chicken Coops	$ 57,931.91	**$ 57,931.91**		
						Land				
15	[redacted]		x	[redacted]	[redacted]	Clearing off land	$ 10,500.00			
						Cutting of access road	$ 12,000.00			
						Fencing	$ 932.42	**$ 23,432.42**		
16	[redacted]		x	[redacted]	[redacted]	Fence	$ 371.97			
						Roll Barbed Wire	$ 50.99	**$ 422.96**		

8

796

Ref	First Name	Last Name	Farmers	Location	District	Requested Need	Cost of Request of each request	Total Cost of Request	Administrative Compliance	Amount Approved
18	[redacted]		x	[redacted]		Cleaning for land	$ 2,400.00	**$ 2,400.00**		
19	[redacted]		x	[redacted]		Water Tank	$ 1,990.00			
						Fencing Material	$ 1,613.65			
						Labour	$ 4,000.00	**$ 7,603.65**		
20	[redacted]		x	[redacted]		Materials for Farming	$ 12,360.00	**$ 12,360.00**		
21	[redacted]		x	[redacted]		Tank	$ 1,287.99			
						Wire & Rope	$ 377.40			
						Pro Mix	$ 249.75	**$ 1,915.14**		
24	[redacted]		x	[redacted]		Galvanized	$ 2,129.70			
						Wood	$ 429.00			
						Fencing	$ 1,223.92	**$ 3,782.62**		
25	[redacted]		x	[redacted]		Water Tank/ Pipe	$ 1,339.99			
						land Clearing	$ 1,200.00	**$ 2,539.99**		

9

797

Date: 10/30/2020
Time: 11:40:02

Government of the BVI
Payment Voucher

User: CMMERCER
Page - 30

Voucher Number: 966116
Vendor Number: 165067
Vendor Name: [redacted]
Invoice Number: FARMERS/FISHERMAN GRANT
Check Remark: PMO -Farmers/fisherman prog

Invoice Date: 10/30/2020
Due Date: 10/30/2020
G/L Date: 10/30/2020
Purchase Order: 00806505
Batch Number: 1609417

Cost Center / Object Account / Subledger	Quantity	Product/Service Rendered	Detail Amount
22204090-528662 52866212 Premier's Office Policy Planni/Coronavirus Prevent Exp/52866212 Premier's Office Policy Planni	1	Grant for economic stimulus - Farmers and fisherman EXP/179/2020 (/expedited extract/261)	13,500.00
		Total:	**13,500.00**

TREASURY DEPARTMENT
RECEIVED
2020 NOV -5 P 1:43

Passed for Payment

By: [redacted]

Voucher Authorization

I certify that the above account is correct, was incurred under the authority quote, that (rate) (price) charges (is) (are) according to (regulations) (contract) is fair and reasonable and the funds are available under the Heads and Subheads quote.

Permanent Secretary, Premier's Office — Title

[redacted] — Accounting/Authorized Officer

30.10.2020 — Date

Receipt Certification

I certify the expenses were incurred solely upon the Public Service

10

[redacted]

DISTRICT #7
FARMING SUMMARY

NO	NAME	AMOUNT
1	[redacted]	$ 13,500.00
2		$ 13,500.00
3		$ 13,500.00
4		$ 22,500.00
5		$ 22,500.00
6		$ 13,500.00
7		$ 13,500.00
8		$ 13,500.00
9		$ 13,500.00
10		$ 13,500.00
11		$ 13,500.00
12		$ 13,500.00
13		$ 22,500.00
14		$ 13,500.00
15		$ 22,500.00
16		$ 13,500.00
17		$ 13,500.00
18		$ 13,500.00
19		$ 13,500.00
20		$ 13,500.00
21		$ 13,500.00
22		$ 13,500.00
23		$ 13,500.00
24		$ 13,500.00
25		$ 13,500.00
26		$ 13,500.00
27		$ 13,500.00
28		$ 13,500.00
29		$ 22,500.00
30		$ 13,500.00
TOTAL		$ 450,000.00

JUST ADDED

JUST ADDED 25-11-2020

"I certify this a copy of the original document."

[redacted]

District	Full Name	Need	Sum of Needs
District 7	[redacted]	Fence Posts & Fence	$8,894.05
1	[redacted]	Hymac to clean Land	$4,605.95
	[redacted]		**$13,500.00**
2	[redacted]	Fencing Cyclone	$4,958.97
		INCOMPLETE	$0.00
		Water Tank	$4,455.04
		Weed Eater Machine	$4,085.99
	[redacted]		**$13,500.00**
3	[redacted]	Material	$13,500.00
			$13,500.00
4	[redacted]	Farming Machinery	$12,670.00
		Material For Pen	$9,830.00
	[redacted]		**$22,500.00**
5	[redacted]	Freight	$7,850.00
		Poultry Pen goat,pig	$14,650.00
	[redacted]		**$22,500.00**
6	[redacted]	Animal Feed	$6,894.00
		fencing Material	$6,606.00
	[redacted]		**$13,500.00**
7	[redacted]	Material	$13,500.00
			$13,500.00
8	[redacted]	Equipment	$7,748.90
		Fencing	$5,751.10
	[redacted]		**$13,500.00**
9	[redacted]	Material	$13,500.00
			$13,500.00
10	[redacted]	Material	$13,500.00
			$13,500.00
11	[redacted]	Engines	$4,000.00
		Repair for Boat	$2,500.00
		Trailer	$7,000.00
	[redacted]		**$13,500.00**
12	[redacted]	Fencing	$8,611.99

13 [redacted]	Chicken Coops	$22,500.00
	Land	$0.00
	Poultry equipment	$0.00
		$22,500.00
[redacted]	Material	$13,500.00
14 [redacted]		**$13,500.00**
15 [redacted]	Clearing off land	$9,067.58
	Cutting of access road	$12,500.00
	Fencing	$932.42
		$22,500.00
16 [redacted]	Fence	$5,671.97
	Roll Barbed Wire	$7,828.03
[redacted]		**$13,500.00**
17 [redacted]	Material	$13,500.00
		$13,500.00
18 [redacted]	Cleaning for land ✓	$13,500.00
		$13,500.00
19 [redacted]	fencing Material	$5,313.65
	Labour	$4,300.00
	Water Tank	$3,886.35
[redacted]		**$13,500.00**
20 [redacted]	Materials for Farming	$13,500.00
		$13,500.00
21 [redacted]	Pro mix	$1,749.75
	Tank	$5,587.99
	Wire & Rope	$6,162.26
[redacted]		**$13,500.00**
22 [redacted]	Materials for Farming	$13,500.00
		$13,500.00
23 [redacted]	Materials for Farming	$13,500.00
		$13,500.00
24 [redacted]	Fencing	$6,223.92
	Galvanized	$4,329.70
	Wood	$2,946.38
[redacted]		**$13,500.00**

	[redacted]	land Clearing Water Tank/ Pipe	$5,200.00 $8,300.00 $13,500.00
	[redacted]	Material	$13,500.00 $13,500.00
	[redacted]	Material	$13,500.00 $13,500.00
	[redacted]	Material	$13,500.00 $13,500.00
	[redacted]	Material	$22,500.00 $22,500.00
30	[redacted]	Material	$13,500.00 $13,500.00
District 7 Total			$450,000.00

COVID-19 Economic Stimulus Schools and Organisation Programme

Policy Brief

14th July, 2020

15

1.0 Background

The negative impacts of COVID-19 spilled over into the social services of the Virgin Islands society shortly after the announcement by the World Health Organisation, that the virus had been upgraded to global pandemic status on 11th March, 2020. In an attempt to curb the spread of the virus, the Government mandated the suspension of cruise ship arrivals, closed the Territory's borders and imposed a 24-hour domestic curfew from 26th March, 2020, which extended for approximately one (1) month. From 27th April, limited hours of commerce were introduced. Mass gatherings of every kind including at schools, churches and other social events were suspended immediately.

This disruption in social activity in particular, had devastating consequences for small businesses like Private Schools, Preschools and Daycare Centres. Church gatherings and other social activities that churches administer such as weddings, funerals and after school programmes, were all suspended or extremely restricted in numbers, due to social distancing measures that are strictly enforced.

The closures of schools, preschools and daycare centres have negatively affected the productivity in a number of businesses and government agencies across the entire territory, due to parents having to either work from home to take care of the children who are now home due to closures in all schools, preschools and daycare centres.

The restricted activities of churches Territory wide have also taken its emotional toll on residents who are not able to attend church services as normal. In addition, the ability for persons to not be able to attend funerals of loved ones and close friends in the normal fashion has created much distress for persons in the community, particularly the senior citizens and residents.

The Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture reported that the number of Private Schools, Preschools, Daycare Centres and Churches that have been affected are as follow; fourteen (14) Private Schools, twenty-one (21) Daycare/Preschools, six (6) Preschools only, three (3) Daycares only, seventy-nine (79) Churches, and fifteen (15) religious organisations.

In an effort to bring back some sense of normalcy for residents to be able to attend church services, funerals, weddings etc., and to allow private schools, preschools and daycare centres to reopen, a number of social distancing measures will need to be put in place at these establishments. In addition and due to closures, many of the private schools, preschools and daycare centres struggle to keep their staff on full time pay because there is no income being generated. Additionally, many have gone into arrears for rental payments for the premises that are being used for the facilities.

The Government of the Virgin Islands included as part of its Economic Response Plan (Phase II) released on 28 May 2020, dedicated funds to assist private schools,

preschools, daycare centres, churches and religious organisations to prepare themselves to receive students, participants and parishioners.

Cabinet approved the COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations via Extract Memo No. 236/2020 on 9th July 2020 in the amount of one million dollars ($1,000,000.00) funded through a grant from the BVI Social Security Board.

To facilitate the design and implementation of the programme Cabinet also decided that a Committee be established consisting of representatives from the Premier's Office (Chair), the Ministry of Finance (Member), and the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture (Member). This committee will ensure the effective administration and management of the application process for the approval and disbursement of the grants.

2.0 Programme Overview

2.1 Objective of Programme

The day cares, pre-schools, private schools, churches and religious organisations absolutely play a vital role in our community, and their closures due to the COVID-19 pandemic crisis, is a major set-back. It is hoped that this stimulus will help these institutions in the Virgin Islands that have been adversely affected by the COVID-19 pandemic crisis to prepare themselves for re-opening.

2.2 Grant Allocation

One possible way of allocating the grant funds among the schools, churches and religious organisations is to do so equally, that is dividing the $1 million by the 127 (all the schools, churches and religious organisations). It was reasonably assumed that all the schools (as previously broken down) and all the churches and religious organisations would have been affected by COVID-19 pandemic as they were all required to be closed. This would result in a distribution of approximately $8,000 among each institution. However, this method and any other approach that fails to consider the impact of the crisis on each institution and their expenditure for re-opening would not present a tangible and equitable approach. Therefore, the equal distribution method would not realistically and fairly provide the level of support that would enable any of these institutions to re-open their doors to receive students, participants and parishioners in accordance with the COVID-19 health and safety guidelines.

Understanding the impact of cost of preparations to re-open on the operations of the institutions is therefore critical in determining the amount of the grant allocation. For the purposes of this programme, the "cost per student/member" is a fair measure of impact would result in a more targeted and equitable distribution of funds, with the greatest positive effect on the private education and social sector, and the overall economy.

A survey was administered to the two groups (schools, and churches and religious organizations) on the 28th July 2020. These institutions were required on the surveys to provide information on revenues and expenditures pre-COVID-19 and during the COVID-19 period to date, along with their expenditure in preparation for re-opening in accordance with the COVID-19 health and safety protocols. The amount spent to re-open is critical in determining the amount of funds an institution is granted. Since the needs of some of the schools and churches and religious organisations will most definitely outstrip the value of the programme ($1 million), only a certain percentage of losses and expenditure in the form of a grant would be possible.

While the value of re-opening expenditure would have the highest weighing in the computation of the final score, smaller percentage weighing would be assigned to institutional structure (number of levels of schools – day cares, pre-school, primary, secondary, and church), and to the institution's compliance with their statutory obligations (renewal of non-profit organizations registration, payroll taxes, social security, national health insurance, and trade licence).

It is anticipated that within 2-3 weeks after the close of the surveys, schools and churches and religious organisations would begin to receive grant payments. During the stated period of time after the deadline for the surveys, the data would be analysed, then used to determine the percentage distribution of funds.

3.0 Application Process

3.1 Eligibility

The following eligibility requirements have been proposed for qualification of schools, and churches and religious organisations for the COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations.

Day cares, pre-schools, and private schools must:

1. have a valid trade license with all payments up to date. Businesses that are currently not up to date are required to do so by the end of the application deadline; and
2. have commenced operations prior to January 31, 2020, and now re-opened.

Churches and religious organisations must:

1. have applied for renewal of registration as a non-profit organization (NPO) in accordance with the provisions of the Non Profit Organisation Act, 2012, or have a current NPO certificate.
2. have been in existence prior to January 31, 2020, and now re-opened.

3.2 Application Requirements

Schools, churches and religious organisations were each required to complete a survey, and submit electronically. The surveys named "**Questionnaire for Churches and Religious Organisations - COVID-19 Economic Stimulus Assistance**" and "**Questionnaire for Daycares, Pre-Schools and Private Schools - COVID-19 Economic Stimulus Assistance**" were available on the Government's Website from the 28th July, 2020. Hard copies of the surveys were also available if needed, and assistance in completion of the surveys was provided by the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture. The original deadline for the completion of the surveys was the 3rd of August, but due to the festival holidays and a slow initial response rate, the deadline was extended until the 17th August, 2020. See **Appendix D** for hard copies of the two surveys.

The following supporting documents and information from day cares, pre-schools, and private schools was required and the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture may request additional information, as necessary.

1. Proof of good standing with the following bodies, if available. This can be in the form of a copy of the good standing certificate, a copy of receipt of most recent payment or authorized payment plan:
    i. National Health Insurance,
    ii. Social Security Board, and
    iii. Inland Revenue Department.

A day subsequent to the close of the surveys, a letter was sent electronically to all the schools to request that they provide copies of payment receipts or certificates of good standing for payroll taxes, social security and national health insurance. A deadline of Friday, 21st August, 2020 was provided for submission of copies of these documents, either electronically or in hard copy to the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture. Verification of a valid trade licence was completed through the Department of Trade Investment Promotion & Consumer Affairs. While, verification that churches and religious organisations applied for renewal of registration as a NPO was made through the Ministry of Health and Social Development.

A report showing the summary results from the surveys is in **Appendix E**.

4.0 Selection and Monitoring and Evaluation Process

There is no selection of eligible institutions as they are all going to qualify for some level of grant funds, provided they have re-opened. A ranking system would be used for scoring each institution based on institutional structure, statutory compliance, and value of re-opening expenditure. Each institution would be assigned a score based on where they fall in the ranking for each category, with a total score for each entity being realized at the end.

The share of each score of the total of all scores would be used to distribute the grant amount.

The total grant amount must be shared between the schools and the churches in a fair and equitable manner. The share of each institution's re-opening spending total of both groups of institutions re-opening spending total was used to distribute the total grant amount. See the Admin Guidelines document in **Appendix C**.

The Committee, which was established by Cabinet will review the list of beneficiaries for the grant and the grant allocation amount before submission to the Cabinet for final review and approval.

Monitoring and evaluation of the programme would be led by the Ministry of Finance, with reports being made to The Committee based on an agreed schedule. The programme will be monitored and evaluated by collecting information through participant surveys, focus group discussions and interviews carried out periodically during and after the implementation period.

The following output and outcome measures could be utilised to assess the performance and impact of the programme. This information would also be useful in informing future policy interventions in the education and social sectors.

OUTPUT INDICATORS	OUTCOME INDICATORS
Number of schools, churches and religious organisations receiving grants through programme	Proportion of schools, churches and religious organisations receiving grant still in operation after six (6) months
$ value granted by institution	Number of employees retained in schools
$ value expenditure of funds by institution and by expenditure category	% increase in revenue for schools provided with grant
	% increase in membership/tithes for churches/religious organisations provided with grant
	% satisfied recipients with the Programme

The Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture, with the assistance of the Ministry of Finance will review the supporting documents for compliance with statutory obligations, and check the validity of the compliance information stated by the respondents.

5.0 Payment of Grants

Grants will be processed and disbursed in accordance with Cabinet's decision from the approved COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations Grant Programme via the COVID-19 Economic Stimulus Package in the amount of one million dollars ($1,000,000.00) from the Social Security Board.

Payments will be made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense.

Payments would be made directly to the institution by cheque or direct bank transfer. All schools and churches in the programme would be required to sign a declaration agreeing to adhere to how the grant funds can be utilised (see Appendix D for declaration). This agreement would bind the institution to use the grant funds only to support its continued operations, and to remain in compliance with the COVID-19 health and safely protocols for re-opening. If the grant funds are utilized for any other purpose, then the institution would be required to return to funds to government.

6.0 Other Considerations

The Government including Statutory Bodies has launched a plethora of assistance programmes as part of the Economic Response Plan – Phase 2 targeting in some form the MSME sector directly or indirectly. These include the BVI Electricity Corporation's COVID-19 Amnesty Programme, Economic Stimulus to farmers and fisherfolk, House of Assembly of the Virgin Islands COVID-19 Assistance Programme, COVID-19 Unemployment/Underemployment Benefit administered by the Social Security Board and the United Nations Development Programme grant programme for food operators.

Creation of a central repository of data and information on the recipients of assistance from the various programmes will be very beneficial in understanding the types of businesses that have been impacted by COVID-19, the extent that the crisis has affected their businesses, and the type and level of assistance they have received. Moreover, such information will be valuable in guiding and shaping future economic assistance policy initiatives, and thus ensure the best usage of taxpayer funds.

All the data from the completion of the surveys by schools, churches and religious organisations has been stored in a database. After a review of the submitted completed surveys, there were some duplicates and errors which were edited directly in the database after verification (by email/telephone) with the respondents. Corrections were only made in the database, not on the completed surveys.

7.0 Conclusion

The length and depth of the impact of COVID-19 on small vulnerable states like the BVI is still unknown. As the Territory braces for further declines in economic activity and growth, sustained Government intervention may be required over the medium-term. Other phases of economic support and economic stimulation may still need to be targeted to the education and social sectors. Day cares, pre-schools and private schools are vital to the productivity of public and private sectors in the Territory and will continue to be affected as the crisis is prolonged, combined with added threats from potential hurricanes, earthquakes and other catastrophic events. On the other hand, the churches and religious organisations are critical to the spiritual, emotional and mental health of people of the Territory. Consequently, following the implementation of this programme and assessment of its level of coverage, the Government may definitely need to consider in its Phase 3 response additional support to the education and social sectors. This could take the form of additional grants, soft loans, and/or technical advice.

No.	Name of Church	Grant Amount
1	[redacted]	$ 1,287
2		$ 1,287
3		$ 1,287
4		$ 1,287
5		$ 1,287
6		$ 1,287
7		$ 1,287
8		$ 1,287
9		$ 1,287
10		$ 1,287
11		$ 1,287
12		$ 1,287
13		$ 1,287
14		$ 1,287
15		$ 1,287
16		$ 1,287
17		$ 1,287
18		$ 1,287
19		$ 1,287
20		$ 1,287
21		$ 1,287
22		$ 1,287
23		$ 1,287
24		$ 1,544
25		$ 1,544
26		$ 1,544
27		$ 1,544
28		$ 2,058
29		$ 2,058
30		$ 2,058
31		$ 2,058
32		$ 2,058
33		$ 2,058
34		$ 2,058
35		$ 2,058
36		$ 2,058
37		$ 2,058
38		$ 2,058
39		$ 2,058
40		$ 2,058
41		$ 2,058
42		$ 2,058
43		$ 2,058
44		$ 2,058
45		$ 2,058
46		$ 2,058
47		$ 2,058
48		$ 2,058

No.	Name of Church	Grant Amount
49	[redacted]	$ 2,058
50		$ 2,058
51		$ 2,058
52		$ 2,058
53		$ 2,058
54		$ 2,058
55		$ 2,058
56		$ 2,058
57		$ 2,058
58		$ 2,058
59		$ 2,058
60		$ 2,058
61		$ 2,058
62		$ 2,058
63		$ 2,058
64		$ 2,058
65		$ 2,058
66		$ 2,058
67		$ 2,058
68		$ 2,058
69		$ 2,058
70		$ 2,058
71		$ 2,058
72		$ 2,058
73		$ 2,058
74		$ 2,058
75		$ 2,058
76		$ 2,058
77		$ 2,058
78		$ 2,058
79		$ 2,058
80		$ 3,088
81		$ 3,602
82		$ 3,602
83		$ 3,602
84		$ 3,602
85		$ 3,602
86		$ 3,602
87		$ 3,602
88		$ 3,602
89		$ 4,631
90		$ 5,146
91		$ 6,175
92		$ 6,175
93		$ 6,175
94		$ 8,234
		211,246

No.	Name of School	Grant Amount
1	[redacted]	8,808
2		9,182
3		9,182
4		9,557
5		15,179
6		17,241
7		17,615
8		17,615
9		20,051
10		20,426
11		20,426
12		22,862
13		23,237
14		23,612
15		23,612
16		25,673
17		26,048
18		26,423
19		26,423
20		28,484
21		28,859
22		28,859
23		29,609
24		32,420
25		34,481
26		34,481
27		34,481
28		34,481
29		34,856
30		34,856
31		34,856
32		34,856
		788,754

Note:

[redacted] are the schools that didn't complete the survey, so there was no information. Estimates were used for cost per student.

[redacted] are the same school. Combined score used.

Questionnaire for Daycares, Pre-Schools and Private Schools - COVID-19 Economic Stimulus Assistance



Questionnaire for Daycares, Pre-Schools and Private Schools - COVID-19 Economic Stimulus Assistance

Preliminary Questionnaire - COVID-19 Economic Stimulus Assistance to Schools

The objective of this questionnaire is to collect the relevant information to establish the degree of assistance required by schools (day cares, pre-schools and private schools), as per available funding.

PLEASE COMPLETE THE INFORMATION ACCURATELY AND SUBMIT BY MONDAY, 3rd AUGUST, 2020.

* 1. Name of your Institution

* 2. Type of Institutional Structure:Name of your Institution (Select all that apply):

Day care | Pre-school | Primary school | Secondary school

Church

* 3. Number of students enrolled:

before March 11, 2020

from March 11 - 31, 2020

April

May

June

* 4. Number of teachers:

before March 11, 2020

from March 11 - 31, 2020

April

May

June

* 5. Number of auxiliary staff (such as, cleaners, office staff, care takers, grounds persons, and administrative staff):

before March 11, 2020

from March 11 to 31, 2020

April

May

June

* 6. Monthly Revenue (fees) collected:

up to the end of February

March

April

May

June

* 7. Monthly expenses (overheads):

up to the end of February

March

April

May

June

* 8. Estimate of funds spent to date in preparing institution to fulfill the requirements as stated in the health guidelines:

* 9. Estimate of additional funds needed to prepare institution to fulfil the requirements as stated in the health guidelines:

* 10. Contact Information for Applicant:

Name

Email Address

Phone Number

* 11. Please state the date

Date

Date

Questionnaire for Churches and Religious Organisations - COVID-19 Economic Stimulus Assistance



Questionnaire for Churches and Religious Organisations - COVID-19 Economic Stimulus Assistance

Preliminary Questionnaire - COVID-19 Economic Stimulus Assistance to Churches & Religious Orgs.

The objective of this questionnaire is to collect the relevant information to establish the degree of assistance required by churches and religious organisations, as per available funding.

PLEASE COMPLETE THE INFORMATION ACCURATELY AND SUBMIT BY MONDAY, 3RD AUGUST, 2020.

* 1. Name of your Church:

* 2. Membership at your church:

Number

* 3. Monthly expenses (including assistance to church members):

up to the end of February

March

April

May

June

* 4. Monthly tithes and offering collected:

up to the end of February

March

April

May

June

* 5. Estimate of funds spent to date in preparing your church to fulfill the requirements as stated in the health guidelines for re-opening:

$

* 6. Estimate of additional funds needed to prepare your church to fulfill the requirements as stated in the health guidelines for re-opening:

$

7. Do you have any salaried/waged workers?

Yes

No

* 8. How many:

up to the end of February?

March?

April?

May?

June?

* 9. Contact Information for Applicant:

Name

Email Address

Phone Number

* 10. Date of Completion:

Date

Date

GOVERNMENT OF THE VIRGIN ISLANDS

DECLARATION

FOR THE COVID-19 ECONOMIC STIMULUS FOR DAY CARES, PRE-SCHOOLS, AND PRIVATE SCHOOLS

I .....
(Please Print Name)

owner of .....
(Please Print School Name)

on this ..... day of ....., 2020.

Declare as follows:

1. I will only utilise the grant support for the continued operation of my school, and to remain in compliance with the COVID-19 health and safely protocols for re-opening, including through the payment of utilities, rent, mortgage, wages and salaries, purchase of supplies, small construction works, and payment of outstanding statutory fee obligations;
2. I will assist Government in evaluating the programme by completing as required surveys, and participating in focus group discussions and interviews carried out periodically during the implementation and programme assessment period;
3. I will commit to settle outstanding payments with the Inland Revenue Department, the Social Security Board, and the National Health Insurance, as requested;
4. I will attend training programmes organised by Government aimed at equipping MSMEs with expertise in financial management, business plan development, and other entrepreneurial skills;
5. I will provide as feasible, data to Government so that the programme can be adequately monitored and evaluated, upon required;
6. I understand that information collected for this programme could be used for the development of future assistance programmes;

Signed this _____day of__ _____, 2020.

_____ _____
Owner of School (Witness)

GOVERNMENT OF THE VIRGIN ISLANDS

DECLARATION
FOR THE COVID-19 ECONOMIC STIMULUS CHURCHES AND RELIGIOUS ORGANISATIONS

I .....
(Please Print Name)

owner of .....
(Please Print Church Name)

on this ..... day of ....., 2020.

Declare as follows:

1. I will only utilise the grant support for the continued operation of my church, and to remain in compliance with the COVID-19 health and safely protocols for re-opening, including through the payment of utilities, rent, mortgage, purchase of supplies, small construction works, and payment of outstanding renewal of registration as a NPO;
2. I will assist Government in evaluating the programme by completing as required surveys, and participating in focus group discussions and interviews carried out periodically during the implementation and programme assessment period;
3. I will commit to settle outstanding payments with the Ministry of Health and Social Development, as requested;
4. I will provide as feasible, data to Government so that the programme can be adequately monitored and evaluated, upon required;
5. I understand that information collected for this programme could be used for the development of future assistance programmes;

Signed this _____day of__ _____ 2020.

_____ _____
Pastor/Leader of Organisation (Witness)

The Atlanta
Journal-Constitution

Investigation: Stonecrest mayor's church received unsolicited $150K grant



Stonecrest Mayor Jason Lary's church received $150,000 as part of the city's coronavirus relief program despite never applying for the aid, according to a new report by City Attorney Winston Denmark.

Union Missionary Baptist Church, where Lary is a deacon and trustee, was then instructed by the mayor that a third of the funds should be paid to a specific company for "community home repairs," the report says.

The company, Real Estate Management Consultants, Inc., lists as its address a property owned by Lary's real estate company. It never provided the church with any services, according to the report.

Now, Stonecrest's entire $6.2 million COVID-19 relief program is in question after an internal investigation led by Denmark found strong evidence of widespread malfeasance and potential kickbacks.

Lary, a central figure in the accusations, denied any wrongdoing and has refused to resign. The mayor recently began a medical leave due to recurring cancer.

"I wasn't involved in the decision of the COVID funds administration or who received what awards," Lary said in a text message to The Atlanta Journal-Constitution on Friday.

The investigative report, written by Denmark, details an alleged scheme where city employees used Stonecrest's allotment of federal CARES Act funds to enrich themselves and business associates.

In addition, the investigation found businesses and charities were required to pay 25% of their award to one of three pre-selected marketing companies — all created by city officials or people with "deep ties to city staff."

ExplorePandemic relief meant for Stonecrest businesses lost in city hall turmoil
A supplemental investigative report, made public this week, details what Denmark was able to learn since his initial bombshell investigation went public earlier in April. The unsolicited grant awarded to Union Missionary Baptist Church was among the supplemental report's findings.

The mayor's church

Alma Perdue-Byrd, treasurer and administrator at Union Missionary Baptist Church, told Denmark that Lary announced the $150,000 grant award at a trustee board meeting. She added that the church "never actually applied" to receive financial assistance from the city, according to the report.

At the board meeting, Lary allegedly told the trustees that a third of the grant, $50,000, should go to Real Estate Management Consultants, Inc. for "community home repairs." Perdue-Byrd said those services were never performed. The AJC reached out to the church and did not hear back before publication.

Real Estate Management Consultants, founded in October by private attorney Robert Burroughs, is one of three companies accused of receiving kickbacks as part of Stonecrest's CARES Act program. Burroughs previously declined to comment about the allegations.

The other two companies named as part of the alleged scheme, Visit Us, Inc., and Battleground Media LLC, are both listed in Burroughs name. The address for Battleground Media, like that of Real Estate Management Consultants, is property owned by Lary's real estate company.

Perdue-Byrd is also connected to Visit Us, listed as the company's CEO and chief financial officer in Secretary of State documents. Visit Us received at least $100,000 from various grant recipients to perform marketing services — allegedly at the request of Lary and other city leaders.

Denmark found no evidence the company ever performed any services.

In the new report, Perdue-Byrd told Denmark that she was aware grant funds were provided to Visit Us, adding that nothing had been spent. She said those funds remain in the company's bank accounts.

Other findings

Like many of the churches and companies that received CARES Act funds from the city, Union Missionary Baptist Church is located outside of the city limits. A church that is in the city limits, Flat Rock Community Church, also received an unsolicited grant of $100,000, according to the report.

"We were unaware that the church had received a grant award, since all information related to community-based awards has not been made available to us," Denmark wrote in the new report. The program's shoddy accounting has been questioned in several places by Denmark, who requested further investigation by law enforcement agencies.

Charles Bennafield, pastor at Flat Rock church, told Denmark that he received the unsolicited grant and was instructed by Lary to cut $18,000 worth of checks to three companies. One of them, One Way Management LLC, is run by James Lary, one of the mayor's sons.

The report cites an email where Lary wrote Bennafield: "You can give them to James when y'all meet."

The report concludes that additional supplementary reports are likely in the future, and it lists multiple recommendations for further action.

The five-member City Council voted earlier this week to grant Denmark's multiple requests, which included launching an external audit of the city's CARES Act program; voiding improper contracts; calling on law enforcement for further investigation; and attempting to recover some of the funds.

ExploreStonecrest authorizes further investigation into allegedly misused COVID-19 relief funds

The story so far: Stonecrest received $6.2 million in federal pandemic relief funds from DeKalb County. Questions were raised after the city contracted with a newly formed nonprofit to disburse those funds to small businesses. An internal investigation began, and its results were released last week, finding widespread mismanagement and improper contracts that resemble a kickback scheme.

What's next?: The city attorney and Stonecrest staff will begin taking the recommended actions detailed in the investigative report, which includes an external audit of the program and tracing where the money was spent.

Follow DeKalb County News on Facebook and Twitter

https://www.ajc.com/news/investigation-stonecrest-mayors-church-received-unsolicited-150k-grant/3ALKVGU7ONE6RG5LP2K3BQ6CIU/

LOG of Correspondence between Office Auditor General and Premier's Office 13 July 2020 - 25 May 2020

From	To	Date	Content	Response Date	Response Content	Documents Received or Access Granted
Auditor General	Permanent Secretary	13-Jul-20	Advising that the Audit Office will be undertaking an ongoing review of the COVID Stimulus programmes. Requesting copies of the application forms, guidelines and other related documents that have been developed to facilitate the processing of the stimulus grants	14-Jul-20	We will endeavour to provide the information requested.	None
Audit Staff	Permanent Secretary	30-Nov-20	Requesting an Interview with PS and copies of Contracts	-	No response Received	None
Audit Staff	Director of Trade	02-Dec-20	Requesting access to the Trade Data base	02-Dec-20	Director of Trade emails Department of Information Technology (DOIT) requesting that access be created. DoIt responds that the access accounts to the Trade database have been created. PS instructs that access be terminated.	None
Audit Staff	Auditor General	03-Dec-20	Advising of non-cooperation from Premier's Office		Auditor General Meets with Staff to discuss issues.	
Audit Staff	Director of Trade	09-Dec-20	Requesting an interview on the MSME grants programme	-	No response Received	None
Auditor General	Permanent Secretary	10-Dec-20	Requesting Information, Access to databases and the name of liaison	-	No response Received	None
Audit Staff	Permanent Secretary	15-Dec-20	Requesting scanned information for Farmers and Fishers	-	No response Received	None
Auditor General	Permanent Secretary	27-Jan-21	Requesting Information and Access	29-Jan-20	Projects ongoing. We are working with Internal Audit. Auditor General Office must wait.	None

From	To	Date	Content	Response Date	Response Content	Documents Received or Access Granted
Auditor General	Permanent Secretary	29-Jan-21	Requesting Information. Advising that External and Internal Audit perform separate functions with different mandates and reporting lines.	-	No response Received	None
Auditor General	Permanent Secretary	17-Feb-21	Requesting Information name of liaison	17-Feb-20	We will cooperate. Reports will be sent and meetings organised. Dealing with two Audit organisations challenging.	None
Auditor General	Permanent Secretary	22-Feb-21	Send us the same info as Internal Audit	10-Mar-20	We will supply the information once ready.	None
Auditor General	Permanent Secretary	10-Mar-21	Provide us with access to the Trade Database	-	No response Received	None
Audit Staff	Director of Trade	19-Mar-21	Requesting information on Trade licenses	-	No response Received	None
Audit Staff	Director of Trade	23-Mar-21	Following up on Request	25-Mar-21	Advising that she was awaiting confirmation from PS who is copied in.	None
Audit Staff	Director of Trade	27-Apr-21	Requesting Information and a copy of the "protocol" that was preventing her from cooperating with the Audit	29-Apr-21	Director advises of the PS instructions that all Audit Requests to theTrade Department be addressed to the PS in writing and she (the PS) will respond formally. (PS copied in.)	None
Auditor General	Permanent Secretary	25-May-21	Draft Report on Farmers and Fishermen Forwarded	31-May-21	Email from Tamesha Smith requesting an extension to 29 June.	None
Attorney General	Permanent Secretary	25-Jul-21	Provide Information Requested by The Auditor General			None

Re: Access to data base - Small business grants

Sonia Webster <[redacted]>

From: Kenrick Grant <[redacted]>
Sent: Thursday, December 3, 2020 10:54 AM
To: Sonia Webster <[redacted]>
Cc: Amoret Davies <[redacted]>
Subject: Fw: Access to data base - Small business grants

Dear Ms. Webster

Please see below email correspondence with the Trade Department.

Subsequently to this, I received a telephone call from the Permanent Secretary Mrs. Carolyn Oneal-Morton yesterday 02/12/20 at about 5.pm objecting to the Audit Office having access to any information. Her reasons being 1. The Program is ongoing 2. Some of the information is highly confidential 3. by 'law' the Audit Office can only examine the programs after they are completed. 4. They are already working with Internal Audit and the Audit Office will come in after. I informed the PS that I will refer the matter to you.

Please rectify this problem as we don't have any files to work with.

Regards

Kenrick Grant

From: Kareem Stout <[redacted]>
Sent: Wednesday, December 2, 2020 8:42 PM
To: Karia Christopher <[redacted]> Chanda Lettsome <[redacted]>
Cc: La'Keisha Hendrickson <[redacted]>; Amoret Davies <[redacted]>; Carolyn Oneal-Morton <[redacted]>; Kenrick Grant <[redacted]>; Annabelle Skelton Malone <[redacted]>; Lucia Donovan <[redacted]>
Subject: RE: Access to data base - Small business grants

Dear Mrs. Christopher,

We confirm that user accounts have been created for Mr. Grant and Mrs. Hendrickson-Browne as requested.

Mr. Grant and Mrs. Hendrickson-Browne,

You should have received an email from "Government of the Virgin Islands" (SMApply) stating that you have been invited as an administrator for the programme.

Kindly follow the instructions to gain access and contact us should you have any questions.

If we can be of any further assistance in this regard, please do not hesitate to contact us.

Regards,

Kareem R. Stout
Department of Information Technology
Government of the Virgin Islands
Tele: (284) 468-3701 ext. [redacted]
Fax: (284) 468-3419 or 494-3668
email: [redacted]

GOVERNMENT OF THE VIRGIN ISLANDS

From: Karia Christopher <[redacted]
Sent: Wednesday, December 2, 2020 4:26 PM
To: Kareem Stout <[redacted]>; Chanda Lettsome <[redacted]
Cc: La'Keisha Hendrickson <[redacted] Amoret Davies <[redacted]>; Carolyn Oneal-Morton <[redacted]>; Kenrick Grant <[redacted]
Subject: Re: Access to data base - Small business grants

Dear Mr. Stoutt and Mrs. Lettsome:

Please see below request from Audit Department.

I am kindly requesting permission similar to that of internal audit so that they may perform their individual audit duties.

Please let me know if there are any questions or concerns.

Karia Christopher

Sent from my iPhone

> On Dec 2, 2020, at 4:16 PM, Kenrick Grant <[redacted]> wrote:
>
> Dear Mrs . Christopher
>
> Further to our telephone call today. We are requesting access to your department's database of all the applicants /recipients of the Small Business Grants issued to small businesses by the Premier's Office.
>
> The lead auditors on this assignment are Kenrick Grant and La'Keisha Hendrickson-Browne.
>
> Please contact us when access to the database has been granted.
>
> Should you need any clarification on our request or should you have any concerns, please contact me at ext [redacted]
>
> Kenrick Grant

Audit Manager
Office of the Auditor General
Government of the Virgin Islands
Road Town, Tortola
Tel: [redacted]

Economic Stimulus MSME Grant Audit

La'Keisha Hendrickson <[redacted]>
Wed 12/9/2020 9:41 AM
To: Karia Christopher <[redacted]>
Cc: Kenrick Grant <[redacted]>; Amoret Davies <[redacted]>

Dear Mrs. Christopher,

As you have been informed of the ongoing Economic Stimulus MSME Grant Audit, we would like to schedule a preliminary interview with you for tomorrow Thursday 10th December, 2020 at 10:00am. Mr. Kenrick Grant and I will be conducting the interview.

The interview will be based on the MSME grant application and approval process. Please confirm if you will be available at that time for an interview.

Thank you in advance for your cooperation in this matter and we will be looking forward to hearing from you at the soonest.

Kind regards,
La'Keisha Hendrickson-Browne
Auditor
Office of the Auditor General
Tel: (284) 468-4144 ext [redacted]
Fax: (284) 468-4148

Request of Documents

La'Keisha Hendrickson <[redacted]

Tue 12/15/2020 1:14 PM

To: Carolyn Oneal-Morton <[redacted]>
Cc: Kenrick Grant <[redacted]; Amoret Davies <[redacted]>; Gabriela Jacobus <[redacted]

Dear Mrs. O'Neal-Morton:

Reference is made to the memorandum dated July 14, 2020 titled COVID-19 Stimulus Grant. We write to request the scanned copies of all applications submitted by farmers and fishers for the economic stimulus grant be submitted to our office.

Thank you in advance for your cooperation and we look forward to hearing from you at the soonest.

La'Keisha Hendrickson-Browne
Auditor
Office of the Auditor General
Tel: (284) 468-4144 ext [redacted]
Fax: (284) 468-4148

Re: Economic Stimulus MSME Grant Audit

Karia Christopher <[redacted]>
Wed 12/9/2020 2:56 PM
To: La'Keisha Hendrickson <[redacted]>
Cc: Kenrick Grant <[redacted]>; Amoret Davies <[redacted]>

Hello Mrs. Browne:

Thank you for your email. As it pertains to the audit procedure, protocol dictates that all communication be addressed to the Permanent Secretary, Dr. Carolyn Oneal - Morton.

Providing I receive the green light from her, I am happy to perform any task required for the Audit.

Many thanks in advance for understanding.

Karia J. Christopher

Director
Trade, Investment Promotion and Consumer Affairs
Government of the Virgin Islands
Road Town, Tortola VG1110
British Virgin Islands

Phone -[redacted]

From: La'Keisha Hendrickson [redacted]
Sent: 09 December 2020 09:41
To: Karia Christopher <[redacted]>
Cc: Kenrick Grant <[redacted]>; Amoret Davies <[redacted]>
Subject: Economic Stimulus MSME Grant Audit

Dear Mrs. Christopher,

As you have been informed of the ongoing Economic Stimulus MSME Grant Audit, we would like to schedule a preliminary interview with you for tomorrow Thursday 10th December, 2020 at 10:00am. Mr. Kenrick Grant and I will be conducting the interview.

The interview will be based on the MSME grant application and approval process. Please confirm if you will be available at that time for an interview.

Thank you in advance for your cooperation in this matter and we will be looking forward to hearing from you at the soonest.

Kind regards,
La'Keisha Hendrickson-Browne
Auditor
Office of the Auditor General
Tel: (284) 468-4144 ext [redacted]

Re: Information on Trade Licenses

Karia Christopher <[redacted]>
Thu 3/25/2021 4:48 PM
To: Kenrick Grant <[redacted]>
Cc: Amoret Davies <[redacted]>

Good morning:

Thank you for your email. Please be advised I am awaiting confirmation from the Permanent Secretary.

My apologies, I did send a gentle reminder in hopes of reverting to you soonest.

Karia J. Christopher

Director
Trade, Investment Promotion and Consumer Affairs
Government of the Virgin Islands
Road Town, Tortola VG1110
British Virgin Islands

Phone - [redacted]

From: Kenrick Grant <[redacted]>
Sent: 23 March 2021 16:33
To: Karia Christopher <[redacted]>
Cc: Amoret Davies <[redacted]>
Subject: Re: Information on Trade Licenses

Dear Mrs Christopher

Please advice us of the status of this request.

Regards
Kenrick Grant

Audit Manager
Office of the Auditor General
Government of the Virgin Islands
Road Town, Tortola
Tel: [redacted]

From: Kenrick Grant
Sent: Friday, March 19, 2021 9:46 PM
To: Karia Christopher <[redacted]
Cc: Amoret Davies <[redacted]
Subject: Information on Trade Licenses

Dear Mrs. Christopher

The office of the Auditor General requires the following information for Audit purposes.

Please provide the issued dates of the trade licenses for the following business:

Business Name

[redacted]

Regards

Fw: Protocol for information from the Trade Department

Kenrick Grant <[redacted]>
Fri 4/30/2021 7:19 PM
To: Sonia Webster <[redacted]>

2 attachments (38 KB)
trade license varification.docx; Sample-Trade Dept.xlsx;

Dear Ms. Webster

Please find attached a response from the Trade Department in regards to a request we made for Trade License information.

Kenrick Grant
Audit Manager
Office of the Auditor General
Government of the Virgin Islands
Road Town, Tortola
Tel: [redacted]

From: Karia Christopher <[redacted]>
Sent: Thursday, April 29, 2021 7:01 PM
To: Kenrick Grant <[redacted]>; Amoret Davies <[redacted]; La'Keisha Hendrickson [redacted]; Dr. Carolyn O'Neal-Morton <[redacted]>
Cc: Krystal Maynard <[redacted]>
Subject: Re: Protocol for information from the Trade Department

Dear Mr. Grant:

I was able to dialogue with Permanent Secretary Morton today. She has instructed me to indicate to you that all information to the Department of Trade for auditing purposes should be addressed to her in writing and she will subsequently respond formally.

For avoidance of doubt I have copied her in this correspondence as well.

Kindest regards

Karia J. Christopher

Director
Trade, Investment Promotion and Consumer Affairs
Government of the Virgin Islands
Road Town, Tortola VG1110

British Virgin Islands

Phone - [redacted]

From: Karia Christopher
Sent: 28 April 2021 05:10
To: Kenrick Grant <[redacted]>; Amoret Davies <[redacted] La'Keisha Hendrickson <[redacted]>; Dr. Carolyn O'Neal-Morton <[redacted]>
Subject: Fwd: Protocol for information from the Trade Department

Dear Mr. Grant:

Thank you for your email and your impromptu visit today.

We also discussed in details the protocols for information. I do not believe it is appropriate on my end to furnish you with internal communications unless authorized.

As agreed, please send all request to PS Morton for authorization based on my understanding of protocols.

As she is copied on this email, I will await her comments prior to reverting.

Regards

Karia Christopher

Sent from my iPhone

Begin forwarded message:

> **From:** Kenrick Grant <[redacted]>
> **Date:** April 27, 2021 at 4:02:56 PM AST
> **To:** Karia Christopher <[redacted]>
> **Cc:** La'Keisha Hendrickson <[redacted]>, Amoret Davies <[redacted]>
> **Subject: Protocol for information from the Trade Department**
>
> Dear Mrs. Christopher
>
> Further to our impromptu meeting today, please provide me with a copy of the instructions you received from the Permanent Secretary in the Premier's Office, in regards to providing information to the Office of the Auditor General.

The information we were requesting from your department falls under the Audit Act Section 19, and as the Accounting Officer of the Trade Department, it is your responsibility to provide the information.

I am attaching a copy of the two forms with the requested trade license information to be filled in. Please provide us with either the information requested or a copy of the instructions to not give the information.

We look forward to your prompt response.

Sincerely,

Kenrick Grant
Audit Manager

Farmers and Fishermen Economic Stimulus

Theodore James <[redacted]>
Wed 8/19/2020 1:55 PM
To: Elvia Smith <[redacted]>
Cc: Prudencia Waters <[redacted]>; Tessa Smith <[redacted]>

1 attachments (457 KB)
MV Lightening.pdf;

Good Day, DS Maduro:

Thank you for taking my call regarding your request to verify those farmers and fishers who are active.

As a reminder, we are in need of the phone numbers to contact persons to verify farm and vessel location in order for us to visit and verify status.

I would also like to bring to your attention that the estimates submitted by the Department of Agriculture and Fisheries for the repairs and much needed purchases for the Motor Vessel Lightening is $74,495.00 (see attached) and not $4,000.00 as indicated on the farmers section of the Farmers and Fishermen Economic Stimulus List. May I further suggest that this estimate be removed from under the farmers section and placed under the fishermen section as it relates to fishing.

Regards,

Theodore E James
Director

Government of the Virgin Islands
Department of Agriculture and Fisheries
Paraquita Bay
Tortola VG1120
Virgin Islands

Office: [redacted]
Mobile: [redacted]
Website: www.bvi.gov.vg/DOAF

IN THE MATTER OF THE VIRGIN ISLANDS COMMISSION OF INQUIRY 2021
AND IN THE MATTER OF THE COMMISSION OF INQUIRY ACT (CAP 237) ("the Act")

RESPONSE OF THE PREMIER TO THE WARNING LETTER No. 5, DATED 24 SEPTEMBER 2021 (COVID 19 STIMULUS GRANTS: FARMERS AND FISHERFOLK)

---

1. My Office has already set out its response to the potential criticisms in the document, entitled Response of the Office of the Premier to the Evidence of the Auditor General and the Internal Auditor Concerning the Farmers and Fishers and Schools and Churches Grant Programmes, submitted to the Commission on 7 September 2021 (**PO Response**). To the best of my knowledge and belief, the facts and matters stated in that document are true and correct and I adopt them.

2. The schemes to which the Auditor General refers were developed by public officers in great haste in the face of a sudden and unprecedented economic and potentially humanitarian emergency, which they were in good faith intended to alleviate. The PO Response sets out why ordinarily applicable Value for Money principles could not be fully applied in such circumstances (as they were not around the world) and why my Office takes issue with some of the reasoning and conclusions of the Auditor General.

3. Save as mentioned below, I was not involved in the process of design and administration of the schemes, which I left entirely to the public officers, and which I am informed and believe is set out in the PO Response. As far as I recall, I was asked to make decisions in connection with their design and implementation only as follows.

4. I believe in about September 2019, I was asked by my permanent secretary whether payments should be made directly to the applicants for grants rather than to suppliers. It was explained to me that there would be inevitable and lengthy delay if we were to continue with the original requirement to pay

suppliers. For the reasons given in the PO Response, I agreed to the proposal to pay the applicants directly.

5. I was also asked to approve the paper to be put before the Cabinet on 28 September 2019, which proposed to increase the amounts to be paid to churches and religious organisations within the amount allocated for Covid Relief. I agreed to that proposal being put to the Cabinet and the Cabinet subsequently agreed to the proposal. Again, the PO Response sets out why the public officers felt it necessary to make this change. I cannot recall the extent to which the detail was explained to me, but I agreed with the request and would have seen it simply as a means of getting money urgently into the hands of those who would use it well for the benefit of others.

6. For these reasons, I was aware that some of the aspects of the schemes as originally proposed could not be met. Other than these occasions, I was neither aware of nor consulted as to the technical detail of how the public officers had decided to administer the schemes and implement the Cabinet's decisions. However, the purpose of the immediate relief package was to get the allocated monies as quickly as possible to as many of the target sectors and individuals as possible. I gave a general direction to public officers in my Office that the overriding policy priority was to distribute the immediate relief package *immediately* and to "get the money to the people" without delay. I do not believe that there was any other intention or motive in what the public officers then did but that one.

7. The PO Response also sets out the position of my Office in respect of the audit investigations of the Auditor General and the Internal Auditor.

8. On one occasion, I believe in late January or early February 2021, my permanent secretary mentioned to me that the Auditor General had communicated with her to state that she was going to carry out an audit of the schemes and request information. She explained that the Internal Auditor had already commenced doing so, in line with the Cabinet's decision, the PO was under severe and continuing pressure on its resources, and she was unsure whether the Auditor General could carry out such an investigation while the

scheme was continuing, and the Internal Auditor was involved. As I recall, I suggested to her that if she was in doubt as to her legal duties, she should seek the advice of the Attorney General.

9. Other than this, I was at no stage consulted on the PO's approach to the auditors' involvement with my Office and was asked to make no decisions in connection with them; I was not otherwise aware of the communications between the auditors and my Office, and I certainly gave no instruction, nor indicated in any way, that they should not be afforded all proper cooperation in the conduct of their legal duties.

10. I do not believe that there was any intention not to do so on the part of public officers. The sole concern of my permanent secretary, as I understood it, was the already huge strains on the PO, while we were still managing the pandemic, which had escalated significantly after the announcement of the Commission of Inquiry, with which my instruction was to cooperate fully. I believe that my permanent secretary did not appreciate that the Auditor General viewed her reports as urgently necessary at that time or, if it is the case, that they were intended to be completed in time to be made available to the Commission of Inquiry.

The facts and matters set out in this response are true to the best of my recollection knowledge, and belief.

[redacted]……

The Honourable Andrew Fahie, Premier of the Virgin Islands

4 October 2021

Farmers and Fishermen are required to complete and submit application form to the Permanent Secretary, Premier's Office.

Applications will be made available on the Government Website, or can be emailed to applicant upon request, or hard copies can be collected from the Ministry of Education, or the District Offices on Virgin Gorda, Anegada, and Jost Van Dyke, or from the sister Islands Coordinator, or from the District Representatives, or a Territorial At Large Representative, or persons can collect the application form from the Premier's Office.

Farmers or Fishermen who do not have access to a computer or the internet can be assisted by their District Representative or District Officer, or Sister Islands Coordinator, or one of the Territorial At Large Representative, or can come to the Premier's Office where staff will be available to assist in the completion.

In keeping with the already established criterion that was set out, we applied the formula in the following ways:

Category	Government Grant	Weeks	Minimum Wage	Employees (Estimated)	Estimated Earnings	Percentage	Total
FISHERMAN	$ 9,000.00	25	$ 6.00	2	$ 12,000.00	0.75	$ 9,000.00
SMALL FARMERS	$ 13,500.00	25	$ 6.00	3	$ 18,000.00	0.75	$ 13,500.00
LARGE FARMERS	$ 22,500.00	25	$ 6.00	5	$ 30,000.00	0.75	$ 22,500.00

Formula - Minimum Wage: $6.00

25 weeks from the end of March to September 30, 2020

STAFF:

Fisherman	(2)	$6.00 per hour x 8 hrs. = $240.00 x 25 wks x 2 empoyees = $12,000.00 x 75% =	$ 9,000.00
Small Farmers	(3)	$6.00 per hour x 8 hrs. = $240.00 x 25 wks x 3 empoyees = $18,000.00 x 75% =	$ 13,500.00
Large Farmers	(5)	$6.00 per hour x 8 hrs. = $240.00 x 25 wks x 5 empoyees = $30,000.00 x 75% =	$ 22,500.00

Issues

We found the following Issues to this Program:

The stimulus plan for the Fishermen and Farmers have helped many Farmers and Fishermen to purchased materials and equipment for their small businesses, however, there are some shortcomings with the plan. They are as follows:

- Most of the seniors who do not listen to radio or may not have computer or internet may have missed the opportunity to apply for the well needed stimulus grant.

- In addition to the Representatives, a special group should have been established to assist the seniors and those who cannot read in the preparation of the application form.

- With so many applications for Farmers and Fishermen, there should have been field officers to check and ensure that applicants are using the funds for what it was intended for.

- Many Farmers and Fishermen lack the necessary apparatus which were required to applied for the funding via electronic medium.

- Many of the Farmers are small business owners who over the years have not been encouraged to put necessary accounting, bookkeeping, and proper business procedures in place, they have what is called a cash business. This make for their inability to comply with the arduous process that was required for processing for a grant. As a result, it was agreed for all the elected representatives to reach out in their various distracts to get aid to many of the Farmers and Fisher folks.

- A lot of these Farmers and Fishermen do not have or use social media platforms or Facebook accounts, and so many times the information did not reach to them, therefore, it was imperative to employ a process to reach as many of the intended audience as possible, as this group is a vulnerable part of the population socially.

May I say that this again will enhance Government revenues and create economic opportunities for all our people, especially those in the tourism sector.

Speaking of Government revenues, I am happy to report that the financial services sector has been performing very well in the first four months of 2021. Between January and April 2021, the FSC revenue has exceeded $50.6 million. It is above the $42.6 million realised in the same period in 2020, and just below the $51.1 million earned in 2019. In fact, in April 2021, FSC generated $19.19 million compared to $11.5 million in 2020 and $15.3 million in 2019.

These are all positive signs for the economy and for the people of the BVI as we continue navigating through the worst pandemic in over 100 years.

Of course, your Government is mindful that we have to be prudent in managing our expenses and our spending, and we must make careful and wise decisions to ensure that the Territory gets maximum benefit and the best value for money in whatever we do.

We have to ensure that we are hitting the targets with our various programmes and initiatives.

Your Government has gone the extra mile to ensure that all our residents, Virgin Islanders and Belongers who have been living in the Virgin Islands during the pandemic were safe and provided for - whether through the provision of food and grocery supplies to households or economic stimulus to various sectors.

I want to remind the recipients of the various economic stimulus packages that when they received the funds they committed to providing statements to confirm how they utilised the funds provided and to provide data on the impact this funding support had on their ventures.

Please, do not delay in sending this information back to the Ministries so that we can close off the paperwork and complete our reports to account for what you have done with the money you have received.

I must say though, that COVID-19 exposed a number of flaws and weaknesses within our systems in the BVI – in particular certain areas of reporting and statistics. You would recall that last year, we were having public discourse on the need for a national census.

COVID-19 pushed the BVI into a crucible, and with little time and high pressure, things needed to be put in place. And in many instances the old pre-COVID-19 policies could not cope with the demands and the realities on the ground.

FARMERS STIMULUS APPLICATIONS

DISTRICT # 1 - 9

LEGEND

Category	Government Grant	Weeks	Minimum Wage	Employees (Estimated)	Estimated Earnings	Percentage	Total
SMALL FARMERS	$ 13,500.00	25	$ 6.00	3	$ 18,000.00	0.75	**$ 13,500.00**
LARGE FARMERS	$ 22,500.00	25	$ 6.00	5	$ 30,000.00	0.75	**$ 22,500.00**

Formula - Minimum Wage: $6.00

25 weeks from the end of March to September 30, 2020

STAFF:

Small Farmers	(3)	$6.00 per hour x 8 hrs. = $240.00 x 25 wks x 3 empoyees = $18,000.00 x 75% =	**$ 13,500.00**
Large Farmers	(5)	$6.00 per hour x 8 hrs. = $240.00 x 25 wks x 5 empoyees = $30,000.00 x 75% =	**$ 22,500.00**

Due to the fact that they are making a special effort to keep the country in farming products during the entire course of this pandemic, some farmers were given a little more.

FISHERMEN STIMULUS APPLICATIONS

DISTRICT # 1 - 9

LEGEND

Category	Government Grant	Weeks	Minimum Wage	Employees (Estimated)	Estimated Earnings	Percentage	Total
FISHERMAN	$ 9,000.00	25	$ 6.00	2	$ 12,000.00	0.75	**$ 9,000.00**

Formula - Minimum Wage: $6.00

25 weeks from the end of March to September 30, 2020

Fisherman (2)	$6.00 per hour x 8 hrs. = $240.00 x 25 wks x 2 empoyees = $12,000.00 x 75% =	**$ 9,000.00**

FISHERMEN	AMOUNT
Regular Fishermen	$ 9,000.00
Small Commercial Fishermen	$ 15,000.00
Large Commercial Fishermen	$ 20,000.00

Due to the fact that they are making a special effort to keep the country in fishing products during the entire course of this pandemic, some fishermen were given a little more.

IN THE MATTER OF THE TERRITORY OF THE VIRGIN ISLANDS COMMISSION OF INQUIRY 2021

AND THE COMMISSION OF INQUIRY ACT (CAP 239) (THE 'ACT')

FIFTH AFFIDAVIT OF DR CAROLYN O'NEAL MORTON

I, Carolyn O'Neal Morton, Permanent Secretary of the Premier's Office, of Cutlass Tower, Road Town, Tortola, **MAKE OATH** and **SAY** as follows:

1. **Introduction**

1.1 I am the Permanent Secretary of the Premier's Office (the "**Ministry**") in the Government of the Virgin Islands. I have served in this capacity effective March 2020 and I make this Affidavit from facts within my own knowledge that are true or are without my own direct knowledge but are true to the best of my knowledge, information and belief, the sources of which are identified.

1.2 I make this Affidavit in response to the Commissioner's direction for further disclosure, conveyed by Ms Harrikissoon in her email of 5 October 2021, at points 1 and 2.

1.3 At the outset, I should further say that in this Affidavit, where I mention a document, I do not waive any privilege asserted in respect of it unless I do so expressly.

1.4 I shall refer in this Affidavit to the exhibit marked 'COM-5', which is a paginated bundle of documents.

2. **Farmers and Fisherman Stimulus Grants**

2.1 I am now able to provide a list of the applicants in respect of the Farmers and Fishers Stimulus grants (see pages **[1 – 16]** of Exhibit COM-5) (**the "List of Applicants**"). This list has been created from the master lists of applicants produced by Mr. Wendell Gaskin(WG) who was hired as a Consultant (see pages **[17 – 44]** of Exhibit COM-5/), who assisted with the process as described at paragraphs 2.8 and 2.8 below. It has been cross-checked with the applications held on file by the Ministry.

2.2 I am now also able to provide all of the Farmers and Fishers applications, with supporting documents, of which we have copies (see pages **[45 – 1734]** of Exhibit COM-5).

2.3 The List of Applicants contains the names of 521 applicants. To date, 405 grant payments have been made, please see a list of the payments made in respect of the Farmers and Fishers Stimulus grants to date ("**the Payment List**") at pages **[1735 – 1747]** of Exhibit COM-5. Some names are duplicated in the Payment List where individuals applied for both a farming stimulus grant and a fishing stimulus grant. These have been highlighted in yellow, for ease of reference. The payment system flagged some apparent duplications in the List of Applicants so that only one fishing or farming payment was actually made to the applicant (see for example in the cases of [redacted] in the Payment List). For the avoidance of doubt, there are two individuals named [redacted] who appear on the List of Applicants and the Payment List, one who resides in District 3 and the other in District 9. Further, it has been discovered that [redacted], who appears in the List of Applicants and the Payment List, mistakenly received 2 payments. We are in the

process of recovering the misallocated funds from [redacted]. It has also been seen that [redacted] and [redacted] have received two payments. These may also be mistakes and the position will be checked. In addition, although [redacted] is shown on the Payment List as having received two payments the second was paid back to the Treasury on 17 March 2021. Finally, [redacted] and [redacted] appear on the Payment List but not the List of Applicants. They appear to have been mistakenly omitted from Wendell Gaskin (WG) lists. In any event the payment to [redacted] was returned. Individuals who have not yet received a stimulus payment which they were meant to have, are due to do so, as the Ministry works through the list.

2.4 The Ministry published a grant application form on the Government's website, and distributed paper copies throughout the Territory, for example at post offices. Wendell Gaskin's (WG) lists indicate that 235 application forms were received (see penultimate and final page of Farmers and Fishers Stimulus Grants By Electoral District One to Nine (see pages **[43 – 44]** of Exhibit COM-5). The Ministry have only been able to locate 197 application forms. In respect of 24 names, that difference may be explained by one application form being used for two grants. It appears that some applicants who submitted an application form for one type of grant received that grant and another. It may be that this was because their names were put forward for grants of the other type, in one of the ways described at paragraph 2.5 below.

2.5 We do not have a complete set of application forms for all 484 applicants. Many applicants did not complete one:

(a) There were persons who entered the stimulus programme through referral from the Honourable Representatives of the House of Assembly (the "**Representatives**"). The Representatives were asked by the Premier in a House of Assembly meeting on 28 May 2020 to assist with identifying farmers and fishers who may be in need in their District. The Representatives were expected to know the farmers and fishermen within their Districts and be well placed to identify those in need of a grant. There were some persons who were not familiar with use of computers and the internet, and others who faced literacy challenges. The Representatives were particularly asked to help in identifying those persons so they would not be left out because of their circumstances. This was referred to in the Response of the Office of the Premier to the Reports of the Auditor General and the Internal Auditor concerning the Farmers and Fishers and Schools and Churches Grant Programmes ("**the Response to the Auditors**") at paragraph 73 (see Covid-19 Stimulus Bundle **[232]**). The Representatives passed names and further details where possible to the Technical Team.

(b) There were persons who, for the same literacy and technology reasons outlined above, came in-person to the Ministry to request a grant. These people gave their details to the front-desk, which were passed to the Technical Team. Similarly, I am aware that there were also persons who heard about the stimulus late and rushed into the Premier's Office and asked to be registered for consideration because they missed the deadline, which, as I recall was the 3 July 2020.

2.6 These were extraordinary times and everyone was under pressure (as was pointed out in the Response to the Auditors at paragraph 85, see Covid-19 Stimulus Bundle **[233]**). The farmers and fishermen and their workers and families were under economic and emotional pressure. The public officers were under pressure to get the stimulus out, because if the stimulus did not get into the hands of those who needed it in a timely manner, after 6 months of the economy being at a virtual shutdown, the emergency stimulus, the need for which is described in the Response to the Auditors at paragraph 69 (see Covid-19 Stimulus Bundle **[231]**), would not have been delivered. In the circumstances, we did not feel we could turn people away just because they had not been able to complete a formal application.

2.7 The Ministry was extremely strained in terms of resourcing due to the volume of work caused by the pandemic. When the stimulus was first discussed the hope was that the Technical Team would be able to help applicants fill out the application forms, if persons were unable to do it themselves. However, it is apparent that this did not happen.

2.8 The Technical Team consisted of Mr O'Neal, Mr Maduro and Ms Rhymer from the Premier's Office. I believe that those individuals from the Premier's Office collectively have considerable knowledge of the farming and fishing community in the Territory, for example Mr O'Neal comes from a fishing and farming family. The Technical Team was led by Mr Wendell Gaskin whose assistance I had enlisted as a specialist consultant in dealing with the Covid stimulus grants. I believed Mr Gaskin to be well suited to the task, as he had previously been the Director of Internal Audit and was Deputy Financial Secretary from November 2011 to February 2018. I was also aware that he had a good knowledge of the fishing and farming community.

2.9 The Response to the Auditors at paragraph 87, describes how bands were set for the Farmers and Fishers Covid Stimulus (see Covid-19 Stimulus Bundle **[234]**). The Technical Team led by Mr Gaskin were responsible for selecting the band into which each farmer and fisher should be placed. I recall that the Technical Team occasionally asked me to verify whether certain applicants were farmers or fishers in Virgin Gorda, of whom I have some knowledge.

2.10 As anticipated in the Response to the Auditors, a plan has been developed to account for the monies expended. We have the grant recipients' names, contact details and other information, including how much they received. Some had already begun that process by bringing in documents showing how they had spent the money (see these documents at **[1748 – 1874]** of COM-5) and they are now being asked to verify how they used the funds.

2.11 A two-stage process is under way; the first-stage being an online portal and the second-stage being a drop-in booth at the Premier's Office.

(a) First-stage: In August 2021 the Premier's Office released a flyer and radio adverts on two local stations, notifying grant recipients that it is now time to account for the funds they received (see pages **[1875 – 1877]** of COM-5). The Department of IT set up a portal on the Government website, which persons could use to account for the money they received and upload evidence to. A number of responses have been provided (see 5 examples at pages **[1878 – 1932]** of COM-5). However, we received reports that people were having difficulties using the portal. Cabinet decided to move to the second-stage of the process (see Cabinet Paper and Extract Memo No. 325 of 2021 at pages **[1933 – 1946]** of COM-5). The deadline to submit evidence using the online portal was Sunday 17 October 2021.

(b) Second-stage: We are in the process of setting up a physical room in the Premier's Office where grant recipients can meet with a designated member of staff to discuss how to account for the grant. We aim to have this in place by the end of this month or the beginning of next month.

Affirmed
~~Sworn~~ by: Carolyn O'Neal Morton)

On 1 November 2021)
At Road Town, Tortola)

Before me: [redacted]
~~Notary~~/Commissioner of Oaths

[redacted]
Carolyn O'Neal Morton



Carolyn O'Neal Morton
Fifth
1 November 2021
Exhibit 'COM-5'

IN THE MATTER OF THE TERRITORY OF THE VIRGIN ISLANDS COMMISSION OF INQUIRY 2021

AND THE COMMISSION OF INQUIRY ACT (CAP 239) (THE 'ACT')

FIFTH AFFIDAVIT OF DR CAROLYN O'NEAL MORTON

Monitoring and Evaluation Policy of the Economic Stimulus Programmes

Signed · 05 August 2021 · PO · File: PO/H1/013 · Mrs. Carolyn O'Neal-Morton · Memo No. 325/2021 · Extract No. REx/325/2021 (/decisions/793)

Background Information

1) Cabinet has been previously asked to note the Information Paper outlining the Monitoring and Evaluation Policy of the Economic Stimulus Programmes that are being carried out by the Premier's Office. The Information Paper is attached hereto as **Appendix A.**

2) The Government of the Virgin Islands (GoVI) secured a special grant from the BVI Social Security Board (BVISSB) in the sum of $40M to address specified initiatives including the following COVID-19 related economic stimulus measures. The stimulus packages that were assigned to the Premier's Office are as follows:

a. COVID-19 Economic Stimulus - Micro Small and Medium Enterprise (MSME) Businesses Grant - $6.5 million,

b. Economic Stimulus for Farmers and Fishermen - $2 million,

c. COVID -19 - Economic Stimulus - Daycares, Pre-schools, Private Schools, Churches and Religious Organisation - $1 million, and

d. COVID -19 - Transportation Stimulus Package - $1 million.

3) These allocations are supported by Cabinet Decisions - Memo Nos. 211/2020; 267/2020; 343/2020; 236/2020; 342/2020; 179/2020 and 175/2020.

4) The allocations were adjusted based on the volume of requests received.

5) It is important to note that when this stimulus was administered that the economy was projected to be on the verge of collapse, given the economic hardship being experienced by all entities due to the 24 hour lockdown and other measures as a result of COVID-19.

6) Upon administering the programmes, it was realised that a broad based strategy rather than a means assessment for each applicant was implemented for the Economic Stimulus Programmes that were based on the merit and volume of the respective request.

7) Although the BVISSB and the GoVI announced the grant in May, 2020, and Cabinet approved the various stimulus progammes in May/June 2020, disbursement of the grants did not begin until September 2020 due to bureaucratic issues and the availability of the funds. Some disbursements continued into 2021.

8) Considering that economic activity in the Territory was still severely constrained and that expenditure in targeted economic areas would require time to mature it was felt to be prudent to allow some time for the funds to work before moving to the monitoring and evaluation stage of the stimulus programmes. An additional consideration here was that having persons going from property to property to conduct interviews and site inspections at the time would have increased the risk of spreading COVID-19. Vaccines were not available in the Virgin Islands until mid-February 2021 – and a large number of persons in the Territory still remain unvaccinated to date.

9) Notwithstanding this, it is expedient to develop and implement a policy and action plan for monitoring and evaluation of the economic stimulus programmes to ensure accountability for the disbursed funds and to measure the effectiveness of these interventions in shoring up and growing the Virgin Islands economy, and in having a positive social impact on the Territory during and after the current pandemic crisis.

10) Note in Appendix B, the template letter issued to each recipient of each of the Economic Stimulus Programme administered by the Premier's Office which ensured that all recipients were made aware that they would have to account for the assistance received from the Government of the Virgin Islands.

11) Action Plan

12) To execute monitoring and evaluation of the various economic stimulus programmes, the following three-phase plan will be implemented.

13) Phase 1 – Reporting and Data Collection

14) The first phase of the monitoring and evaluation process would consist of the following steps:

a. The Permanent Secretary, Premier's Office will write to all grant recipients reminding them of their obligations to provide an account for the use of funds and to participate in surveys and other exercises for monitoring and evaluation. Sample letters are included in Appendix C.

b. A feedback form (customized for each grant type) will be sent to each grant recipient. They will be asked to complete and return the form by 30 July, 2021. The form will also be made available in electronic format and via the internet. Sample feedback forms for the various categories of grant recipients are included in Appendix D.

15) Respondents would be required to provide details, with supporting documents, receipts and photographs where applicable, of payments such as Statutory obligations, utilities, equipment, rent, mortgage, creditors, suppliers and staff. They would also be required to provide a statement of how the stimulus grant assisted their business or organisation in coping with the COVID-19 economic challenges. Farmers and fisher folk would be required details of their operations such as acreage farmed and crops, or catch.

16) Various Government Departments will assist in following up with recipients to provide assistance to persons who may need help completing the forms and to ensure that the recipients return the forms to the Premier's Office, according to the table below.

Category of Grant Recipient	Government Department to follow up
MSME	Premier's Office, Department for Trade and Investment Promotions
Farmers	Premier's Office, Department for Agriculture and Fisheries
Fisher Folk	Premier's Office, Department for Agriculture and Fisheries
Daycares, Pre-Schools and Private Schools	Premier's Office, Ministry of Education
Churches	Premier's Office, Ministry of Health and Social Development
Religious Organizations and Church Groups	Premier's Office, Ministry of Health and Social Development

1. The collected data will be collated and analysed by the Premier's Office to generate appropriate reports.

17) Phase 2 – Verification and Site Visits

a. The second phase of the monitoring and evaluation plan will involve the conduct of random site visits by the Government Departments stipulated in the table below to ascertain the veracity of information submitted in the Feedback Forms.

Category of Grant Recipient	Government Department to follow up
MSME	Department for Trade and Investment Promotions

Farmers	Department for Agriculture and Fisheries
Fisher Folk	Department for Agriculture and Fisheries
Daycares, Pre-Schools and Private Schools	Ministry of Education
Churches	Ministry of Health and Social Development
Religious Organizations and Church Groups	Ministry of Health and Social Development

1. The investigating agency would report to the Premier's Office on the findings of site visits.

18) Phase 3 – Continuous Tracking

19) Under Phase 3 of the monitoring and evaluation process, the assigned Departments will conduct follow-up monitoring with the respective recipients and other participants in the various sectors to gather information on the growth and development of the individual businesses and organizations and the performance of the respective sectors as a whole. Follow-ups would be conducted every three months and a report provided to the Premier's Office.

20) Phase 3 – Implementation Timetable

21) A timetable for implementation of the COVID-19 Economic Stimulus Monitoring and Evaluation plan is presented in the Gantt Chart in **Appendix E.**

22) The objective of this policy is to direct and ensure the collection of data from recipients of the various COVID-19 Economic Stimulus Programmes implemented by the Premier's Office for monitoring the use of grant funds and evaluate the effectiveness of the programmes in meeting their objectives. This is necessary so that the Government of the Virgin Islands and the taxpayers of the Territory can be assured that the grants hit their target and that the Government is being prudent with the public's purse.

23) This policy applies to all recipients of grants under the following COVID-19 Economic Stimulus Programmes:

a. COVID-19 Economic Stimulus - Micro Small and Medium Enterprise (MSME) Businesses Grant,

b. Economic Stimulus for Farmers and Fishermen, and

c. COVID -19 - Economic Stimulus - Daycares, Pre-schools, Private Schools, Churches and Religious Organisation.

d. COVID-19 Transportation Stimulus

24) The following Government Departments will be responsible for implementing various aspects of this policy as applicable:

a. Premier's Office,

b. Department of Trade and Investment Promotion,

c. Department of Agriculture and Fisheries,

d. Ministry of Education and

e. Ministry of Health and Social Development.

Purpose

25) To execute monitoring and evaluation of the various economic stimulus programmes in a three-phased plan. This includes reporting and data collection, verification and site visits and continuous tracking.

Cross-Ministry Consultation

26) The Ministry of Finance and Attorney General's Chambers are invited to comment on this initiative

Financial Implications

27) The implementation of the Monitoring and Evaluation of the Economic Stimulus Programmes to be carried out by the Premier's Office is an important exercise in determining, from the information obtained, the actual usage of the stimulus funding and the effectiveness of the programme.

28) Decision Sought d, states "approve the funding for this initiative from Premier's Office Head 2220409 , Subhead 528662 Corona Virus Prevention Expense." The request for funding suggests that expenditure is expected to be incurred. However, no budget estimate was provided for this exercise. Therefore, it would be difficult to determine if the unknown funding application would exceed the prior supplementary request balance of $222,534.06. In addition, it is uncertain if any commitment has been encumbered against this balance.

Legal Implications

29) The Cabinet paper has been duly reviewed and no legal impediments are foreseen at this point.

30) And I So Advise.

Budget

31) Funding for this will be made from Premier's Office Head 22204090, Subhead 528662 Corona Virus Prevention Expense.

Communication Strategy

32) The Government Information Service to develop communication strategy following Cabinet's approval.

Conclusion

33) Cabinet is invited to consider and concur with the decision sought.

Decision Sought

Cabinet is invited to:

a. review and approve the implementation of the Monitoring and Evaluation of the Economic Stimulus Programmes being administered by the Premier's Office: Micro Small and Medium Enterprise (MSME), Farmers and Fishermen, Daycares, Pre-schools, Private Schools, Churches and Religious Organisations, and Transportation;

b. approve the methodology outlined in the Information Paper that was noted in Regular Extract 291/2021, in Appendix Fso as to ensure accountability, value for money and transparency for each Economic Stimulus programme and persons/businesses/others that have received assistance through the Economic Stimulus Programmes administered by the Premier's Office;

c. note the template letter in Appendix B which was previously issued to each recipient of each of the Economic Stimulus Programme administered by the Premier's Office which ensured that all recipients were made aware that they would have to account for the assistance received from the Government of the Virgin Islands;

d. decide that required funding for this initiative be met from Premier's Office Head 2220409 , Subhead 528662 Corona Virus Prevention Expense, in collaboration with the Ministry of Finance;

e. decide that the Premier's Office furnish the Cabinet with quarterly reports of the efforts of this initiative which will be forwarded to the House of Assembly; and

f. decide that an expedited extract be issued to allow the decision of the Cabinet to be acted upon before the confirmation of the minutes.

Recipients: Attorney General, AGC; Financial Secretary, MOF;

Hon. Andrew A. Fahie
Premier
11 August 2021

CABINET PAPER RECORD & EXTRACT FROM THE MINUTES OF THE MEETING OF THE CABINET OF THE VIRGIN ISLANDS HELD AT CISCO, WEBEX MEETINGS
11th August, 2021

TO: The Premier

CC: Acting Financial Secretary
Permanent Secretary, Premier's Office

DATE: 18th August, 2021

Paper No.	Memo No. 325/2021 (/memorandums/1202)
Date Arrived in the Cabinet Office:	11th August, 2021
Date Approved by the Cabinet Steering Group:	LATE
Date Sent to Cabinet:	11th August, 2021
Cabinet Confirmation Date:	18th August, 2021
Expedited Extract Issued:	11th August, 2021 (/expedited_extracts/900)

Cabinet Extract:

Monitoring and Evaluation Policy of the Economic Stimulus Programmes
Memo No. 325/2021

Cabinet:

a. reviewed and approved the implementation of the Monitoring and Evaluation of the Economic Stimulus Programmes being administered by the Premier's Office: Micro, Small and Medium Enterprise (MSME), Farmers and Fishermen, Daycares, Pre-schools, Private Schools, Churches and Religious Organisations, and Transportation;

b. approved the methodology outlined in the Information Paper that was noted in Regular Extract 291/2021, in Appendix F so as to ensure accountability, value for money and transparency for each Economic Stimulus programme and persons/businesses/others that have received assistance through the Economic Stimulus Programmes administered by the Premier's Office;

c. noted the template letter in Appendix B which was previously issued to each recipient of each of the Economic Stimulus Programme administered by the Premier's Office which ensured that all recipients were made aware that they would have to account for the assistance received from the Government of the Virgin Islands;

d. decided that required funding for this initiative be met from Premier's Office Head 2220409, Subhead 528662 Corona Virus Prevention Expense, in collaboration with the Ministry of Finance;

e. decided that the Premier's Office furnish the Cabinet with quarterly reports of the efforts of this initiative which will be forwarded to the House of Assembly; and

f. decided that an expedited extract be issued to allow the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Ms. Sandra Ward
19th August, 2021

Attorney General's Submission	Audit Response
IN THE MATTER OF THE TERRITORY OF THE VIRGIN ISLANDS COMMISSION OF INQUIRY 2021 **AND THE COMMISSION OF INQUIRY ACT (CAP 237) ("the Act")** **RESPONSE OF THE OFFICE OF THE PREMIER TO THE EVIDENCE TO THE REPORTS OF THE AUDITOR GENERAL AND THE INTERNAL AUDITOR CONCERNING THE FARMERS AND FISHERS AND SCHOOLS AND CHURCHES GRANT PROGRAMMES**	Received 8 September 2021
Farmers and Fishers Scheme – The Policy Objective 69. The Farmers and Fishers programme was part of the Government's package of immediate fiscal relief in response to Covid-19 [Annex 2]. The package was intended to be an *emergency response* to an immediate need to inject money into particularly vulnerable sectors of the economy. Farming and Fishing was identified as such a sector [Annex 32]. The stimulus would generate urgently needed economic activity in very low wage industries, create employment [Annex 33], and increase local food production at a time when there was a real risk that food imports might be interrupted [Annex 34].	R-69. In emergency situations there are systems, processes and instruments to protect government's resources, ensure transparency and reduce abuse and maladministration. For the Farmers and Fishermen stimulus programmes these instruments included the approved policy and criteria and the articulated processes for administering the programme and awarding grants. These were all intended to ensure that the targeted individuals benefited and to reduce the risk of misapplication and misuse of public funds.
70. For this reason, contrary to the impression that might be created by the Auditor General's Report [see Annex 14, E-3, E-6, and paragraphs 9,14, 20 44-45, 46 and 47-49], the programme was never intended to be confined to those who appeared or had appeared on the commercial register of farmers and fishermen or who were licensed to fish but to reach quickly, and as widely as possible, throughout the farming and fishing sector.	R-70. The Auditor General's reports are based on the criteria advanced by the Premier's Office and approved by Cabinet. There is no authority for a ministry to unilaterally change or vary a Cabinet decision. This should be done in the proper manner (in Cabinet) with reasons and full transparency. The approved and promulgated criteria required applicants to be "commercial" farmers and fishermen who were either registered (licensed for fishermen) with the Department of Agriculture and Fisheries or could provide a notarized letter of referral verifying their engagement in farming or fishing for the past three years.

Attorney General's Submission	Audit Response
	The above criteria also formed a part of the Premier's Office COVID -19 Report (Dated 28 June 2021) on pages 35 (paragraph 3.2.1.1) and 36 (paragraph 3.2.1.2). Therefore, when the Premier's Office was attempting to "*reach quickly, and as widely as possible, throughout the farming and fishing sector*" as stated in paragraph 70, there was an **obligation** to adhere to the approved policies and criteria set out for this programme. Particularly in identifying beneficiaries and where possible addressing their requests. Failing to do this compromised the objective of the programme (assisting bona fide farmers and fishermen) and increased the risk of fraudulent payouts.
71. A preliminary survey was carried out by the Department of Agriculture [Annex 33] because it was well understood the registers did not reflect current reality of those who were currently farming or carrying on commercial fishing activities or those who *had* been doing so but whose activities had ceased or reduced because of the 2017 Hurricanes.	R-71. If it was "well understood that the registers did not reflect current reality..." The stimulus grant process should have been used as an opportunity to update public records for legitimate commercial farming activity and thereafter support these individuals to further develop the industry. Not updating the records is one of the major failings of the stimulus process. There is nothing in Department of Agriculture's records to support that 49% of persons receiving farming grants are farmers. A similar statement can be made for 56% of persons receiving fishing grants. This accounts for a total of $2,672,000 or 52% of the monies issued in grants. This cannot be deemed acceptable.
I Space	

ACTUAL PAYMENTS	#	Farmers	%	#	Fishermen	%	Total Farmers & Fishermen		
Registered	100	1,485,000.00	51%	88	983,000.00	44%	188	2,468,000.00	48%
Unregistered – Cabinet list	10	154,500.00	49%	2	35,000.00	56%	12	189,500.00	52%
Unregistered - Unknown	93	1,282,500.00		118	1,200,000.00		211	2,482,500.00	
	203	**2,922,000.00**		**208**	**2,218,000.00**		**411**	**5,140,000.00**	

Attorney General's Submission	Audit Response
72. It was also recognised that there were Virgin Islanders whose livelihoods had traditionally been wholly or partly derived from fishing and farming who were not and may never had been registered. One of the benefits of the scheme was perceived to be the encouragement it would offer to those farmers and fishermen to register. As the Auditor General, at least by implication, seems to have acknowledged (Annex 14, paragraph 75), the scheme was effective in this regard. 73. To that end, the scheme was advertised on the radio and online, and the help of all district representatives was enlisted, to identify eligible persons and to bring to their attention their right to apply. It was recognised that some potential applicants would lack not only the computer equipment and skills but also the basic literacy to apply without help [Annexes 33 and 35, p. 3].	R-72.-73. The application process was undertaken by the Premier's Office without sufficient involvement of the Department of Agriculture and the subject Ministry. Thereby eliminating the opportunity for those key agencies to obtain pertinent information to update the relevant registers with data such as location of farm, size of operations, type of produce and whether/how the farming activity had been impacted by the 2017 hurricanes. Agriculture's records indicated that a spike in farmers' registrations occurred with 174 additions in the immediate period after the grant programme was announced. Only 34 of the 174 newly registered individuals received grant awards.
74. The initial Cabinet list of farmers who were potentially eligible for relief, to which the Auditor General referred (at paragraph 17), was compiled of those who had responded to the survey [Annex 36].	R-74. The initial Cabinet list contained 95 persons identified by the subject Ministry and the Department of Agriculture as bona fide commercial farmers. Only 39 of these (or 41%) received stimulus aid. To put this in context, 203 persons received farmers grants. Thirty-nine (39) were on the list submitted to Cabinet, 164 were not. To add further perspective, in the Cabinet paper dated 20 March 2020 *(PMO Annex 34 Page 544 paragraph 5)* it was estimated that there were between 40 and 60 commercial farmers in the territory. Grant payments were made to 203 persons. With respect to Fishermen, there were 208 payments, of these 25 were to persons on the Cabinet list, 183 persons receiving payment were not.
75. As the Auditor remarks, that initial list of 95 farmers submitted to the Cabinet included 42 who were not on the commercial register [Annexes 36 and	R-75. The point being made in the audit report is that a significant number of persons whose names

Attorney General's Submission	Audit Response
37]. The Cabinet list of 36 fishermen contained 4 who were registered but not licensed. However, as is evident, since by the date of the Cabinet Memo on 27 April 2020, the programme had not even opened for applications, it was not then envisaged that the list would be likely to represent the total of those who would apply.	that were submitted to Cabinet as "Commercial Farmers" were not registered as farmers with the Department of Agriculture. The list of "Registered Commercial Farmers and Fishermen" was submitted to Cabinet on 27 April 2020, the published application process closed in July 2020. The farmers and fishermen registers examined in the audit process were updated to November 2020 and October 2020 respectively. There should be no discrepancy between these records and the names on the Cabinet list. For clarification, the four fishermen referenced in paragraph 75 were neither licensed nor registered.
76. On 20 March 2020, the Cabinet had authorised the setting up of a Working Group to consider how the scheme should be designed and administered [Annex 38].	R-76. The Working Group provided criteria for administering the grant programme which was approved in Cabinet. These were largely disregarded by the Premier's office in administering the programme.
77. The extract of the Cabinet decision of 27 May 2020 shows that although a budget of $2 million had been previously approved and that the Working Group proposed eligibility criteria (Appendix B) for the award of the grants, which the Cabinet then adopted, no firm proposals were made to the Cabinet and no decision taken as to how the *amounts* to be awarded to each applicant would be determined [Annex 39]. The Programme was again intended to be audited monthly by the Internal Auditor.	R-77.- 78. The statement in paragraph 78 that suggests there was no intention by the Government to equate the amounts awarded to "demonstrated need" is incomprehensible as at each stage individuals were requested to provide proof of their needs: 1. The **Cabinet Extract 179/2020** stipulated that applicants were to provide estimates of materials or equipment required with photos where possible and that payments would be made directly to suppliers subject to the submission of pro-forma invoices (PMO Annex page 539 paragraphs 14.3 and 16.3) 2. The **press release** dated 5 June 2020 in which the programme was publicised directed applicants to provide evidence of their needs in the form of "estimate of materials, works to be done, or equipment required with photos
78. Those details appear to have been left to the Working Group and to the lead Ministry (the Premier's Office) to work out. It is not correct to assume, as the Auditor General appears to do (see paragraphs 7, 29, 32, 59 and 67), that it was the Government's intention that the amounts awarded should exactly equate to the demonstrated need for specified work or	

Attorney General's Submission	Audit Response
equipment.	where possible" (Aud Attachment 3) 3. The **Criteria document** approved by Cabinet in paragraph(2.4) stipulated that payments would be made directly to vendors on behalf of the grant recipients; (Aud Attachment 1) 4. Considerable time was spent by applicants collecting information and quotations to support their demonstrated needs as evidenced in Annex 40* of the Premier's Office bundle on pg 554-566. 5. Considerable time spent in the Ministry compiling the submissions of these demonstrated needs and compiling the document shown in Annex 40 referred above. Unless there are compelling reasons, the grant awards should approximate to the amounts requested. The inflation of the amounts far in excess of the requested sums constitutes a disregard for the principles of value for money, which require adoption of economy in the application of public funds. * Annex 40 in the PMO bundle submission is incomplete as several pages of applicants are missing.
79. Indeed, as the number of applications increased in the period for their submission, it became apparent that it would not be possible to award the grants based on a demonstrated need, which would in itself lead to substantial inequities. In one case, an application was made for over $400,000, 20% of the available budget. Furthermore, if an individual evaluation of the projects and proposed purchases was to be made for each applicant, it would have required far greater resources and time than was available to the Government [Annex 40].	R-79. It is unreasonable to use an anomalous submission to make an argument of reasonableness. The expectation is that this, and all stimulus grant programmes, would have to be executed with grant ceilings.
80. Despite the presence of the Permanent Secretary of the relevant Ministry (Education) on the Working Group, in late July 2020, on being asked to verify whether those on the existing list of applicants	R-80. If the goal of the programme was to improve food security, then the starting point has to be ensuring that the Government is in a position to monitor and assist that process. Paragraph 80

Attorney General's Submission	Audit Response
were commercially active, the Department of Agriculture reported that it was incapable of executing the responsibility assigned to it by the Cabinet's decision to assess the commercial activities of the applicants because it lacked both the personnel and the equipment, such as vehicles and fisheries vessels. The Director of the Department even requested monies from the stimulus package to purchase the vehicles [Annex 41]. For these reasons, as the Auditor accurately remarks, the Department "*had been unable to undertake any substantial monitoring*" (paragraph 40).	demonstrates the failure of the government to recognise the needs presented by the Agriculture Department and a missed opportunity to assist the process by providing this key Department with the requested resources.
81. The Ministry of Public Works lacked the surveyors to evaluate each of the hundreds of applications that were made at the same time as service the demands of the Ministry of Health, which was then leading the effort to contain the virus.	R-81. The Public Works Department has advised that it was **never** asked to perform any evaluations. Only they are able assess whether their resources are adequate. In addition, only applicants "requiring repairs to physical structures among other works" needed to be assessed. Setting a costing threshold for the properties that would be assessed would avoid a time consuming process of examining multiple low value projects.
82. Furthermore, by late July 2020, it was apparent that *even if* the Ministries could have undertaken that burden, they could not have done so within a timescale that conformed to the Government's policy objective of delivering a rapid fiscal relief stimulus to the sector, which, as the economic effects of the measures taken to contain the virus deepened, was becoming an ever more urgent and pressing priority.	R-82. No attempt was made to comply with the Cabinet Decision to have PWD (or a licenced contractor) perform assessments, it is therefore not known what delay, if any, would have resulted.
83. In addition, the Working Group had overlooked the fact that if payments were to be made direct to suppliers, which cumulatively exceeded $10,000, it would have been necessary to execute petty contracts [Annex 42]. Those contracts required certificates of good standing from multiple agencies of government, which can take several weeks to obtain, a period likely to be even longer during the disruption of the pandemic. Finally, payment would have had to be made by	R-83. Petty Contracts are standards for public procurement between $10,000 - $100,000. The suggestion that contracts would be required for grant awards appears as a late excuse for non-compliance as **Cabinet approval could have been sought to address this issue given the underlying exigencies**. In addition: (a) Most of the Farmers' requests were below the

Attorney General's Submission	Audit Response
government purchase order and many, if not most, suppliers will not accept such an order because of the time it takes to be paid.	Petty contract threshold. There was no requirement to combine the individual requests creating the need for petty contracts. (b) In central government, departments do not combine their procurement needs with other government offices to generate major contracts. This would be inefficient, time consuming and counterproductive. The same could be said for any effort to combine the needs of multiple applicants for the purpose of issuing contracts. (c) Only where largescale works were required would a petty contract become relevant. This would ensure that the works were done to specified standards before payment was made. In addition, in the administration of the House Of Assembly's stimulus grants a number of payments were made directly to vendors for different beneficiaries. At no time were these payments combined for the purpose of issuing petty contracts. The result was that the Representatives who chose direct vendor payments were able to assist more persons from their allocation and can better account for the use of their funds. Furthermore, all reputable businesses in the BVI accept and seek out Government's business.
84. Therefore, by about mid-September 2020, with no progress made, officials concluded that for ease and speed of delivery, it would be necessary to adopt a banded system of standard grants and to pay the applicants directly, obliging them to verify their expenditure retrospectively [Annex 43]. The first payment was made on 18 October 2020. Each of the recipients received a letter with the award, warning them of the obligation to record and account for the monies at the end of the programme. A plan to cause them to do so is being taken forward [Annex 44].	R-84. The "banded system" as explained in the Annex 43 is to pay farmers six months wages for 2-5 employees. This is inexplicable as: a. The application form for farmers and fishermen does not enquire as to whether the applicants engage employees; (Aud Attachment 2) b. A significant number of applicants have full time employment and thus farm only part-time. (pg 535 in PMO bundle, see also 546-

Attorney General's Submission	Audit Response
	549 PMO bundle). There is again no evidence that their operations have employees; c. The rational for paying 6 months salaries is not explained as the economy was reopened after 6 weeks shut down (26 March – 4 May). d. During the shutdown period farmers and fishermen were among the few groups allowed to work and ply their trade. As reported in Annex 32, pg 535 in PMO bundle paragraph v), the Crisis situation *"spiked the demand for locally sourced food items."* This would have been beneficial to persons actively engaging in farming at that time.
85. No relevant experience existed within the Government as to how to design and administer such a scheme. Officials were obliged, under intense pressure of public expectation and time, to come up with solutions as best they could [Annex 4, p.95/2-4].	R-85. Criteria were developed by the Working Group and approved by Cabinet. The Premier's office needed only to: 1. Assess the applications and, within reason, award grants in the amounts requested, with the application of a grant ceiling. 2. Provide Agriculture Department with the resources requested so that they might manage and monitor the process. 3. Engage the Public Works Department (or a private contractor) for assistance with large scale requests.
86. It was fully understood that this was a rough and ready system that could only be justified in exceptional circumstances and in the service of the broader policy objective of the Government to deliver an immediate stimulus to a vulnerable sector of the economy at a time of crisis.	R-86. The system could hardly be called rough. There were clear criteria, Cabinet approval, a stated budget and a subject ministry that was ready to assist with the grant award system.
87. Some would not receive the amounts they had requested and believed they needed. Others would receive more. The bands were set at	R-87. The rational for the "banded" amounts of $13,500 and $22,500 for farmers and $9000,

Attorney General's Submission	Audit Response
$13,500 and $22,500 for farmers [Annex 45] and $9000, $15000, and $20,000 for fishermen [Annex 46]. Applicants were placed in each band according to the amounts requested, the scale of their past or present operations and of the projects of which they had supplied evidence. Applications and supporting documents were received on paper.	$15000, and $20,000 for fishermen is inexplicable for the reasons given in our response at R-84. We note that *"Applications and supporting documents were received on paper."* Please provide this office with copies of those documents.
88. Many of the anomalies highlighted by the Auditor General arise from adoption of this standardised approach but unless it had been adopted, the Government is convinced that it would have been impossible, given the circumstances, expertise, and resources available to it, to have provided the timely stimulus and relief the programme afforded.	R-88. The process for making payments in the "standardised approach" required the same payment steps and processes that would be required if the payments were made in amounts requested by the farmers. Making payments in the requested amounts would also have resulted in improved accountability as the information and invoices submitted by the applicants could have been used to support the payment requests sent to Treasury.
89. In retrospect, once the number of those who wished to apply was fully known, it became apparent that the bands were set too high, and a submission was made to the Cabinet to approve further funding within the envelope of the $39.3 million set aside for the relief programme.	R-89. The realisation that the amounts were excessive after the funds were exhausted shows lack of planning and demonstrates the fundamental inadequacy of the criteria by which the amounts in the "bands" were determined.
The Government's Response to the Auditor General's Conclusions *E-1. An audit examination was performed to assess the implementation and application of the Government's stimulus programme for farmers and fishermen that was launched as a part of the COVID-19 recovery initiative.-* *E-2. The audit examination was impeded by the failure of the Premier's Office to provide documents requested for this review. This is a direct contravention of Audit Act 19 (2)(d) and is contrary to public sector best practice policies for transparency and accountability.* 90. This is not accepted and is dealt with at paragraphs	R-90. The emails and correspondence issued by this office to the Permanent Secretary and attached at the end of this "note" and in "bundle" detail requests made to the Premier's Office on several occasions. No information was received. No access was afforded. No liaison was named to facilitate the audit process. No response was provided to the draft report.

Attorney General's Submission	Audit Response
156ff below.	All of the above constitute a blatant contravention of the Constitution and Audit Act and demonstrates obstruction of the process.
E-3. A total of $1.4 million was paid in Farmers Stimulus grants to persons who were not registered in the Agriculture database of registered farmers. 91. The Government accepts that payments in or approximately that sum was paid to such persons. However, the purpose of the scheme was never intended to be so confined. It was well understood, as the Auditor herself recognises at paragraphs 74 to 76, that the agriculture databases were inadequately maintained and unlikely to reflect a current and true picture of those engaged in and deriving a part of their living from fishing and farming.	R-91. The summary at E.3 of the Report speaks for itself and the Premier's Office is in agreement. The statement that the ***"purpose of the scheme was never intended to be so confined"*** to registered farmers contradicts the approved criteria for these stimulus programs and the publicised information on eligibility. The absence of "intention" as stated in paragraph 91. also suggests that Cabinet was misled in the decision sought to approve an eligibility criteria document requiring applicants to be registered commercial farmers and licensed fishermen when there was no intention for this to be used. (PMO Annex 33, Pg 541, para a.) The issues with the registers cannot be used as an excuse for unsupported distribution of public funds. Registration could have been made a part of the grant process. This would have ensured that the records were updated and provided the Department of Agriculture with information to facilitate the monitoring process.
92. The policy was successful in achieving a major proportionate increase in the number of registered farmers. At paragraph 75 the Auditor	R-92. Of the 143 newly registered farmers, 34 received stimulus payments. Some of those

Attorney General's Submission	Audit Response
records that 143 persons became registered as farmers in the 7- month period after the stimulus programme was announced (from May to November 2020) as against a total number registered from 2007 to 2020 of 579. This, therefore, represented an increase of about 25% in 7 months over the total of the previous 13 years. In addition, one of the additional objectives of the policy, correctly recorded by the Auditor General at paragraph 7, was to bring back into cultivation land, and repair boats, that had been used, prior to the Hurricanes, for agricultural and fishing purposes. Further work is required to establish this effect, but it seems very likely to have occurred.	registering may have been backyard farmers and it is not known the true status of the others.
E-4. The funding requests submitted by farmers were inflated by the Ministry (Premier's Office) prior to payment. This resulted in individuals receiving payments that were substantially greater than what (sic) they had requested. 93. The first sentence of this conclusion is misconceived and unwarranted. The Government deprecates the Auditor's use of language in this context. That the use of the verb, "*inflated*", appears intended to convey a deplorable pejorative connotation is borne out by the even more shocking and baseless assertion in the "*Recommendations*" that officials had thus been "*falsifying*" the requests made by farmers: see Recommendation 5. This is an irresponsible use of language in the circumstances.	R-93. The use of the word "inflated" in E-4 (and elsewhere in the report) is fitting as the awards were varied in the Premier's Office from the farmer's requests and significantly increased. Recommendation 5. of the Report reads: *An assessment should be made as to whether there has been a breach of Public Finance Management Regulations 73(b)(i) and (ii) in the administration of public funds especially as it relates to falsifying the requests made by farmers that resulted in excess pay-outs.* This should be corrected to read Public Finance Management Regulations 73(a) and 73(b)(ii). **Public Finance Management Regulations 73. (a) and 73(b)(ii)** excerpted: *73. An Accounting Officer or an officer authorised by an accounting officer who signs or authorises a payment instrument* *(a) shall certify the accuracy of each detail set out in the instrument;* *(b)(ii) shall ensure that the prices charged are either according to contract or approved scales or fair and reasonable according to current local rates.* (PMO Annex 42 pgs 600-601)

Attorney General's Submission	Audit Response
	In examining the payment activity the audit found that: (1) The payment instruments sent to the Treasury contained the farmers' itemized requests with inaccurate (falsified) cost details. The amounts had been changed before being forwarded to the Treasury. (Aud Attachment 6) (2) The rates in the falsified claims were often inconsistent with the value of the line items and far in excess of local rates. These cannot therefore be regarded as fair and reasonable. R-95 below gives an example of this. (3) Regulation 73(b)(ii) also makes allowance for "approved scales" to support public payments. We have not receive any supporting information to show that the "banded system" and its rates were approved by Cabinet. The approved and publicised programme required submission of supporting costs and payment to vendors where possible. Submitting a document for payment with inflated amounts is a false justification for an increased payment.
94. The Auditor is mistaken in her conception of the Cabinet's policy, which she appears to assume, without evidence to support her assumption, was to allocate the monies originally set aside for the scheme in the sums requested, provided that the "*need*" for the money, which she does not define but is presumably that which is needed to pay for the project contemplated, could be demonstrated (see paragraphs 7, and, in respect of farmers paragraphs 29, 32; in respect of Fishermen, paragraphs 59 and 67). For the reasons given	R-94. The evidence demonstrating Cabinet's intention to allocate monies in the sums requested has been discussed previously and is imbedded in: 1. **Cabinet paper** (Annex 33; page 539) which explicitly requires farmers to produce "estimates of materials or equipment required with photos where possible" at 14 iii. and on the same page stipulates at 16 iii. that "payment will be made directly to suppliers on behalf of farmers and fishermen subject to the

Attorney General's Submission	Audit Response
above, it was not the Cabinet's intention that the distribution of grants should necessarily be made in that way.	submission of pro-forma invoices". 2. **Approved Criteria** which echoes the above requirements on page 3 at paragraphs 2.2 (3) and 2.4 . Further suggestive evidence is seen in: 3. **Press release** dated 5th June 2020 requiring "estimates of materials, works to be done, or equipment required with photos where possible." 4. The poster attached to the above press release stating the same requirements as in 3. above. (Aud Attachment 4)
95. The adoption of standardised grants was, in principle, a legitimate approach to a difficult problem with which all governments have to grapple. There is no evidence at all upon which so grave an allegation (of falsification) could or should have been made.	R-95. As previously stated, the Premier's Office replaced the itemised amounts submitted by farmers with increased sums. They then put this false information into a document and sent it to the Treasury for payment. To illustrate: [redacted] requested $285.99 to purchase a weed eater. The Ministry changed his weed-eater estimate to $4,085.99 in a schedule that showed the farmers requests and sent this to the Treasury for payment. A copy of a statement sent to the Treasury is attached.
E-5. There was an absence of accountability for how the grant amounts were issued and applied. The controls approved by Cabinet for management and monitoring of this programme were not adopted. 96. This appears to include, in substance, the same complaint as the Auditor has made at E-2. However, for the reasons it sets out below, the Government does not accept that the Auditor's conclusion as to the willingness of the Premier's Office to facilitate reasonable requests under the Audit Act is justified.	R-96. The attached emails support the conclusion of the Premier's Office failing to provide assistance, documents or access. Excuses do not amount to assistance or cooperation.

Attorney General's Submission	Audit Response
97. The Government accepts that, for the reasons given above, some of the controls envisaged by the Cabinet were not adopted. As with the Small and Medium Enterprises Grant Scheme, the committee of officials had failed to consider that some of the controls it had recommended were impracticable if the stimulus measure was to be delivered with the speed that was both needed and sought in the Covid-19 crisis and if the broader policy objective of generating urgent economic activity with maximum inclusivity in a vulnerable sector was to be fulfilled.	R-97. The Premier's office has not demonstrated how it attempted to implement the controls.
98. However, the Government does not accept that this means there is "*an absence of accountability*". On the contrary, all recipients of awards have been warned in writing that they will be obliged to account for the monies expended and a plan is being developed to execute that intention. All recipients will shortly receive a second letter reminding them of that duty and of the evidence they will be required to supply. In addition, a programme of visits and inspections will take place.	R-98. Issuing a "warning" does not amount to accountability. No reports have been provided by the Government to show how the funds have been applied and what impact, if any, the $5.1 million in grant awards has had on the development of the industry.
E-6. More than half of the Fishermen Stimulus Grants recipients were not licensed as required by the Fisheries Legislation and Fisheries Regulations. A total of $1.2 million was paid to unlicensed fishermen. 99. The Government considers that, in exceptional circumstances of great urgency and need, the objectives and benefits of the policy it pursued, among which were to encourage unlicensed and unregistered fishermen to become registered and increasing local food production, justified the policy of their inclusion.	R-99. The Cabinet approved criteria required applicants to either be licensed or to produce a notarised letter of referral confirming eligibility. There was no change to this criteria. The Ministry unilaterally issued payments outside of the approved criteria. More than half of the fishermen receiving fishing grants were unlicensed. The Premier's Office response has not demonstrated any change in the licensing status of those individuals.

Attorney General's Submission	Audit Response
E-7. The fishermen grants were intended to assist with equipment and material costs. Payments were however made to both vessel owners and crew members resulting in multiple members on the same vessel receiving grants. This included grant awards to multiple vessel members requesting assistance for the same equipment. 100. The Government does not accept the premise of the Auditor's conclusion, which is apparently based on the assumption that those who are registered as crew to a vessel must, therefore, *only* fish on or have an interest in that vessel. Furthermore, the Auditor assumes, again without explaining the evidential basis for her assumption, that their applications must have been duplicated for the same equipment. However, those assumptions are not correct. 101. For example, the Auditor states that examination of the details revealed "*instances*" where both master/owner and crew applied for the same equipment. She cites as her prime example a case in which three individuals (master/owner and two crew members) on the *Hokeda* applied separately for engines and material, and notes, "*All three were awarded grants*" (paragraph 64). She assumes this is evidence for her unqualified assertion that, "*multiple vessel members request(ed) assistance for the same equipment*" (paragraph E-7). 102. However, she appears to have carried out no basic checks to see whether her assumption is accurate. In fact, the crew of the *Hokeda* each owns their own boat, and the *different* engines and materials for which the crew applied were for those boats, which had been unable to operate since being damaged in the Hurricanes. It will be recalled that this was precisely one of the purposes of the policy. The same broad situation applies to many of the examples cited by the Auditor at her Appendix 7.	R-100. Our examination revealed several individuals who were named as either master or crew on multiple vessels. This was fully considered in review of the stimulus grants. The statement in paragraph 64 of the report requires no qualification. The records show that all three persons were members of the same vessel and requested grant award for the same equipment. To be clear, the Hokeda is registered with one master and five crew members. The master and three of the crew members applied for and received stimulus grants. One crew member [redacted] is not included in paragraph 64 because the records indicate that he is also Master of the [redacted] a registered fishing vessel. This provides him with the right to apply and receive stimulus aid. There is no record to show that the other two individuals [redacted] are Masters of separate registered fishing vessels, now or prior to the 2017 hurricanes. Evidence of this should be provided so that we might verify the same and make correction in addendum. [redacted]
E-8. Several instances were noted where individuals	

Name	Designation	Vessel	Grant Amt
[redacted]	Master/owner	[redacted]	9,000.00
	Crew		9,000.00
	Crew		9,000.00
[redacted]	Master/owner	[redacted]	9,000.00
	Crew		
	Crew		No Application
	Crew		No Application

Attorney General's Submission	Audit Response
received more than one grant under this programme. In a few instances this manifested with duplicate grants for the same occupation (two farmers grants) but in most cases the individuals received both a farmer's grant and a fisherman's grant which together totalled from $22,500 to $42,500. There were also cases where individuals who received farmers/fishermen grants also received grants from other government stimulus programmes. *E-9. The absence of controls in the implementation and administration of this programme has left the Government without means of assessing how the funds were applied.* 103. Provided that each applicant who applied for both farming and fishing grants met the criteria, there was no reason why, in principle, the policy precluded their doing so. However, there is no basis for the statement that the Government has no means of assessing how the funds were applied. Each of the recipients, all of whom have provided their details, will be required to demonstrate how they have applied the money. Duplicate payments of the same grants are being followed up and in almost all cases have been returned.	R-103. Reporting of duplicate payments is required for the purpose of disclosure, particularly considering the materiality of the amounts involved. Additionally, several individuals receiving payments could not be verified as satisfying the criteria of registered commercial farmers and or fishermen. The records received from the Agriculture Department indicated that of the 18 persons receiving both farmers and fishermen grants: a. One (1) individual was registered as both a fisherman and farmer; b. Five (5) were registered as farmers; c. Four (4) were registered as fishermen; d. Eight (8) had no registration of either farmer or fisherman in the records. No information was received from the Premier's Office regarding the alternative qualifying requirement of a notarised letter.
104. While the Government acknowledges that important Value for Money principles had to be traded off against the policy priorities of speed of delivery and inclusivity, the approach of the Auditor General appears to lack balance.	R-104. The balance in the Auditor General's approach is derived from the application of value for money principles. These are Economy, Efficiency, and Effectiveness. This is the balance that all public programmes should seek to achieve.
105. First, it fails accurately to describe and consider the overall policy context and extreme challenges faced by the Government in a time of unprecedented emergency.	R-105. The Premier's Office disregarded the Cabinet approved, publicly promulgated policies that underpinned this programme. It then failed to provide to this office details of the policy changes that replaced those that had been approved and the reasons for these changes (in contravention of the Constitution and Audit Act and despite several requests).

Attorney General's Submission	Audit Response
	It cannot therefore reasonably expect that these unauthorised and unsubmitted policy changes would be included in the audit report.
106. Secondly, it is muddled in its understanding of the policy goals that informed the development of the scheme within which it was, in the circumstances, inevitable that such trade-offs would be required. Concepts such as "need" are used (for example at paragraphs 7, 29, 32, 59 and 67) without thinking through how, while fulfilling the policy objectives, such a scheme could practically have operated on the basis of "need", however that might have been defined.	R-106. This rhetoric does not explain why the policy was changed without Cabinet's input. Nor does it justify payments of dramatic increases outside of the requested sums and without monitoring mechanisms. Further, there is no ambiguity as to the use of the word "need" in the report. No one should be challenged in understanding the context in which this word is used. Need in all cases (paragraphs 7,29,32,67 in the Audit Report) refer to need(s) indicated by the applicants and demonstrated in their submissions. This is unambiguous. There is no mention of the word in paragraph 59 of the Auditor General's report. The referenced excerpts from the Audit Report are below. *7. Premier stated that the funding for farmers would be used for cutting access roads to farms, fencing properties as well as other means to increase and support food production. For fishermen, the funding was to be used to purchase engines, nets and other equipment needed to help them increase their production.* *29. Farmers requesting stimulus relief were required to provide details of the type of assistance needed and how the funds would be applied.* *32. The audit review found that a standard payment of either $13,500 or $22,500 was made to each farmer irrespective of request or need.* *67. There appears to have been no vetting of the applications to ascertain genuine need or to verify the value of the amounts stated.*

Attorney General's Submission	Audit Response
107. Thirdly, untested and inaccurate assumptions are made, on the basis of which serious criticisms are levelled in language that is neither consistent with the evidence nor with reasonable professional objectivity.	R-107. The gravity of the Premier's Office's failure to cooperate with a constitutional requirement of review and transparency cannot be sufficiently underscored. Breaches of this nature result in serious undermining of this territory's democracy and erode principals of good governance. The language in the report reflects the gravity of those infractions. For clarity, please provide details of the *"untested and inaccurate assumptions"* referred to in paragraph 107. The observations made in this report are consistent with the approved policy for these programmes.
122. However, officials were concerned that the Committee's proposals for churches were insufficient to reflect the importance assigned by the Cabinet to their role in Virgin Islands society and was based on too restricted a view of the policy objectives, which were not merely to assist with the costs of reopening but to support the churches in performing their traditional social functions that were regarded as even more vital at a time of crisis.	R-122. No Cabinet decision or policy document has been provided to support the declaration made in paragraph 122 that the policy was intended to: *"support the churches in performing their traditional social functions that were regarded as even more vital at a time of crisis."* A copy of this restated policy objective and the related Cabinet approval is required.
123. Furthermore, it had been intended as part of the Immediate Relief Package that the Social Development Department would develop an enhanced scheme of income support grants (see paragraph 20) targeted at vulnerable individuals and families but that scheme had by September 2020 failed to materialise and, although it has now opened for applications in July 2021, it has yet to make a payment [Annex 4, p.96/21- 23.	R-123. The Social Development programme was not implemented until the current year. The House of Assembly stimulus assistance grants were however available and open to all.
124. Therefore, rather than request the Committee to redesign its approach, it was again decided in the interests of the urgent delivery of the intended support, to adopt a standard system of payments in bands according to the size of the church	R-124. Effectively, there was the adoption of a band system without regard to the available budget.

Attorney General's Submission	Audit Response
125. It was recognised that the adoption of such an approach would require Cabinet approval. Therefore, on 28 September 2020, the Cabinet was asked to approve schedules of payments to schools, churches and religious organisations then understood to be eligible for support [Annex 56]. The Cabinet was asked to approve an increased amount for this scheme from the $39.3 million allocated to the Covid Relief Package, of $2,392,818. The grants were to be used by the institution, "*to support its continued operations and to remain in compliance with Covid-19 health and safety protocols for reopening*". 126. The Auditor General, therefore, at paragraph 8 of her report, does not fully reflect the Government's policy in respect of the grants to the churches by characterising it as, "*to assist daycares, pre-schools, private schools and religious organizations with the costs relating to reopening and compliance with health pro*tocols." 127. In fact, the broad policy objective of the grants was to support the continued operations of the churches in maintaining the important contribution to social cohesion that they are known to perform within Virgin Islands society: see paragraph 109 above. 128. After the Cabinet's decision, further research was carried out. Some churches were found to have been omitted and those were added to the list.	R125-128 The statement at paragraph 8 of the Audit Report summarises the stated objectives set out by Cabinet and articulated in the policy document. i. Cabinet memo 236/2020, dated 16 June 2020 (PMO Bundle Annex 47; page 670; paragraph 4.) which initially authorised funding for the programme stated that the funding was being provided *to:* *"assist private schools, preschools, daycare centres, churches and religious organisations* ***to prepare themselves to receive students, participants and parishioners, once more***" (our emphasis). ii. Deputy Secretary's e-mail (PMO Bundle Annex 48; page 676; paragraphs 1. and 2.) describes the programme as: *"the COVID-19 Economic Stimulus package for Daycares, Pre-Schools, Private Schools, Churches and Religious Organisations;* ***to assist them to re-open and operate safely in the COVID-19 era.***" (our emphasis). It further states that: *"It is hoped that this stimulus will help these institutions in the Virgin Islands that have been adversely affected by the COVID-19 pandemic crisis* ***to prepare themselves for re-opening.***" (our emphasis). iii. The Cabinet approved criteria developed for this programme echoes the statements in i and ii above. (AUD Attachment 7 - see page 1, final paragraph, and page 2, paragraph 2.1). iv. The working group that developed the policy for this programme based their work on their understanding of Cabinet's directive which

Attorney General's Submission	Audit Response
	was to assist the institutions with the costs relating to reopening. The Group provided their grant recommendations in-keeping with this objective. (Aud Attachment 8-9) All of the above are consistent with the statement made in the Audit Report. In addition, the Director of Internal Audit in undertaking the Cabinet Mandated review of this programme describes it thus: "Realizing that daycare, educational and religious institutions were affected by the COVID-19 pandemic and given the importance of these institutions to the fabric of the BVI community, the Government through its Economic Response initiative ***sought to provide some assistance to these organizations to defray the cost of implementing a number of social distancing and health requirements required for reopening***." (our emphasis) The Cabinet approval on September 20 (represented by PMO Annex 56) does not articulate a restatement the policy approved on16 June 2020, it only serves to dramatically increase the grant awards over the amounts recommended by the working group. (Aud Attachment 8-9 for recommended grants) _____ The reference to paragraph 109. is a reference to own narrative that is unsupported.
The Government's Response to the Auditor General's Conclusions *E-1. An audit examination was performed to assess the implementation and application of the Government's stimulus programme for religious organisations, civic groups, daycares and private schools that was launched as a part of the COVID-19 recovery initiative.* *E-2. The audit process was impeded by the Premier's*	R-129. Our comments at paragraph R-90. above are relevant.

Attorney General's Submission	Audit Response
Office failure to provide documents requested for this review. This is a direct contravention of Audit Act 19 (2)(d) and is contrary to public sector good governance policies of transparency and accountability. 129. The Government does not accept that the Premier's Office refused or denied the Auditor General access to its records or contravened the Audit Act. This matter is dealt with below.	
E-3. The grant awards recommended by the working committee were adjusted in the Premier's Office without any effort to maintain the apportionment within the available budget. 130. The Government does not accept that this conclusion is pertinent to matters that lie properly within the scope of the Auditor General's functions. The decision to adjust the grant awards and to increase the budget for the scheme within the overall sum set aside for the Covid-19 Relief package was a *policy decision* that was submitted to the Cabinet and was wholly a matter for *it* to decide.	R-130. The comment at 130. does not address the point made in E-3 of the Audit Report. The audit observation refers to the Premier's Office disregard of a Cabinet approved budget. It neither comments on policy nor Cabinet's processes. The Auditor General is required by section 14 of the Audit Act to report on matters pertaining to the application of economy in public sector spending. Disregard for an approved budget falls within this stipulation. The office is also endowed with the independence of function under Section 109 (4) of the Constitution to determine how this is to be applied. It is not for the Premiers Office to determine how duties of this office are to be performed.
E-4. The grant award for religious institutions increased by 662% over the recommended amounts. No criteria was (sic) made available for this increase. Eighty percent of the religious institutions did not apply for assistance but were nonetheless approved to receive public grants totaling $1,060,000.00. 131. The Government's policy decision to increase the total sum expended on these grants was a matter exclusively for the Cabinet to decide. The increase of the sums made available to churches, and the specific awards made to them, were approved by the Cabinet on 28 September 2020 on the advice and recommendation of officials who were acting in the accurate belief that the	R-131.-132. The response is lacks transparency as it does not explain how the amounts for the grant awards were derived nor does it provide any documentation for the policy change that required a 662% increase in grant awards.

Attorney General's Submission	Audit Response
policy of the Cabinet would not be fulfilled by the Committee's recommendations.	
132. In the interests of expeditious distribution of the grants at a time of great crisis and need, a standardised system of banded awards was adopted. This was a necessarily blunt tool but was a legitimate decision in the service of the broader policy objectives of the Government, which was to provide *immediate relief* and urgent stimulus to identified sectors of the economy and to support the economic and social operations of the churches.	
E-*5. The grant awards for private schools and daycares were amended in an apparent ad-hoc manner and without stated criteria.*	
133. The Government has dealt with the reasons for those adjustments above: see paragraph 121 (above). As the Auditor observes (at paragraph 38), the adjustments were made to correct perceived anomalies. Had the Government sent these issues back to the Committee, as she suggests, it was plain that there would have been many weeks of further delay. That delay would have been exacerbated by the fact that by September 2020, with schools still closed, key personnel on the Committee were at home and preoccupied with home-schooling their young children.	R-133. These statements neither answer nor address the points made in the report. The anomalies in the recommended amounts could have been referred back to the Committee with a timescale for resubmission. The change required only a mathematical adjustment to the formula and would have allowed for the grant amounts to remain within the approved budget.
E-6. The issuing of unsolicited and extravagant public grants to religious institutions presents a threat to the political independence of these entities.	R-134.-137. The comments at paragraphs 134 to 137 do not address the points made in the report.
134. The Government does not accept this conclusion, which is gratuitous, misconceives the policy context and rationale, and essentially amounts to a statement of the Auditor General's political opinion of the policy. In unique circumstances of acute social privation and hardship, in the alleviation of which the churches are widely acknowledged to carry out an important role, the	The audit statement at E-6 speaks directly to the unsolicited provision of **$1,060,000** of public money to entities that did not indicate a need for assistance. It also comments on the potential conflict this creates for those institutions. It is hardly debatable that the presentation of a **large unsolicited gift** to an institution or person

Attorney General's Submission	Audit Response
Government does not accept the validity of that opinion for which no evidence is cited.	presents issues of propriety. This is especially so where there was an application process in place and those institutions opted not to participate. One immediate case that comes to mind from the USA is a municipal's unsolicited payment of sizable COVID relief grants to more than one church in Stonecrest Atlanta. (Aud Attachment 13) With respect to the repeated claim that the grants to religious institutions were to "support their continuing work in the community at a time of great crisis," we note that; 1. There is no approved policy to issue funds to churches for this purpose; 2. The COVID grant application form for religious institutions does not enquire into whether these entities perform such functions, (several do not); (Aud Attachment 11 for application form) 3. The declaration prepared for the institutions to sign upon receipt of the grant does not require them to use the funds for such purposes; (Aud Attachment 12) 4. No monitoring mechanism was developed to assess how funds intended to assist the community was actually applied.
135. At paragraph 46, the Auditor General formulates a somewhat different criticism, that of creating "*the **impression** of an inappropriate turn to influence these institutions independence*" (our emphasis) and at Recommendation 4, that public spending should not "*compromise or **appear** to undermine the political independence or impartiality of non-government institutions*" (our emphasis).	
136. It is a fallacy to conclude that such grants, awarded to all churches and religious organisations, without discrimination on the basis of denomination, to support their continuing work in the community at a time of great crisis, "*presents a threat to (their) political independence*" or can legitimately be construed as "*an inappropriate turn*" for party advantage (see Auditor General's Report at E-6).	
137. The Government does not accept that any such impression or appearance properly arises to an informed and dispassionate observer. Furthermore, as far as the Government is aware, no political representative of any party affiliation has criticised the scheme on those grounds.	

Attorney General's Submission	Audit Response
Alleged Obstruction of the Auditor General 170. On 13 July 2020, the Auditor General sent a memorandum entitled, "Covid-19 Stimulus Grants" to the Permanent Secretary of the Office of the Premier [Annexes 73-74]. *"The Audit Office will be performing ongoing reviews of the administration and application of the Government's COVID-19 stimulus programmes. The Office of the Premier will be administering various stimulus programmes. It is essential that controls are put in place at the onset to ensure accountability, transparency and fairness in the application of these funds. Controls implemented by your office should include:* *i. Beneficiary application forms;* *ii. Clear criteria for eligibility together with a statement of the supporting documents required from applicants;* *iii. Process for vetting and approval of applicants;* *iv. A database of applicants which should include information on current processing status and outcome of the application (approved or otherwise);* *v. Where applicable, verification of good standing with other Government offices with respect to outstanding Government fees and obligations;* *vi. Coordination with other Government offices involved in distribution of stimulus grants to identify individuals applying for relief from multiple agencies (this should be included as a question on your application form).*	**Alleged Cooperation by the Permanent Secretary in the Premier's Office** R-170 – 201 *(Aud Attachments 13 and 14)* 1. The Permanent Secretary's claims of cooperation and naivety are both incredulous and unconvincing. 2. Over an 11-month period from 13 July 2020 to 21 May 2021 the Audit Office made requests for information and access. In response the Permanent Secretary: a. Failed to provide **any** of the information requested for this audit; b. Failed to provide a liaison to assist with the provision of documents and information; and c. Failed to respond to the draft report despite the extensions given. 3. In failing to cooperate with the process, the Permanent Secretary; a. Failed to comply with the constitutional and legislative process enshrined for the purpose of transparency and accountability; b. Failed in her understanding of the audit role despite being provided with copies of the relevant sections of the Audit Act and the Constitution; c. Failed in her fundamental understanding of the audit process, the government systems of checks and controls, the processes involving public expenditure and the processes and

Attorney General's Submission	Audit Response
An auditor will be contacting your office within the coming weeks to review the controls currently in place. In the interim, please forward copies of the application forms, guidelines and other related documents that have been developed to facilitate the processing of the stimulus grants to [redacted] *While it is imperative that persons needing assistance are expeditiously provided with relief, we must continue to maintain public accountability and transparency in the application of all Government funds and ensure that the business of the Government is at all times carried out at the highest standards*".	reasons for public finance document preservation. This is highlighted by her presumption in paragraph 185 that the audit would be placed in abeyance by her non-cooperation. 4. A striking feature of the correspondence submitted by the Permanent Secretary is the Auditor General's involvement in a routine document request. This is usually done by staff. The Auditor General's involvement is reserved for instances where the audit process is being unnecessarily impeded or where there are high level considerations such as national security issues. 5. The fallacy that the Permanent Secretary intended to cooperate with the audit is exposed by her pointed actions which indicate to the contrary. This includes her explicit language and behaviour of non-cooperation, her specific instructions to the Department of Trade to withdraw access and cooperation and her use of delaying tactics and excuses to avoid providing information. **Permanent Secretary's Explicit Language and behaviour of Non-cooperation** 6. The Permanent Secretary on **3 December 2020** contacted the Audit Staff by telephone and **explicitly** objected to the audit office having access to the records. The grounds provided were: a. The Programmes are ongoing; b. Some of the information is "highly confidential"; c. By "law" the Audit Office can only examine the programs after they are completed;
171. On 14 July 2020, the PS replied to the Auditor General confirming receipt of her email about the COVID 19 Stimulus Grant, and said, "*The Office of the Premier will endeavour to provide the information requested from your Office*".	
172. While the Government accepts that the Auditor General's guidance as to the principles to be followed in the administration of the grants schemes was good advice from the perspective of managing public money, it fails to allow that there may be occasions when *as a matter of policy* there are legitimate grounds for some departure from those principles. The Government believed that the expeditious and comprehensive provision of the immediate relief package was one of those occasions.	
173. On 30 November 2020 Kendrick Grant sent an email to the PS "further to" the Memorandum of 13 July 2020, requesting an interview with "*the key personnel at the Premier's Office that can provide information about the Covid-19 economic stimulus programmes*" [Annex 75]. He suggested an interview date of 3 December 2020 and notified the PS that the lead auditors were KG and L'Keish Hendrickson Browne. KG also	

Attorney General's Submission	Audit Response
asked for "*electronic copies of all the contracts issued under your ministry for the programs*".	d. Premier's Office is already working with Internal Audit and the Auditor General's Office will come in after.
174. On 10 December 2020, the Auditor General emailed the PS as follows [Annex 76], "*As you are aware the Audit Office is undertaking an ongoing review of the Territory's application of its COVID-19 stimulus funds.* *This review will require an examination of all related documents, files and records at the Premier's Office as well as interviews with individuals who were instrumental in administering and assisting the COVID-19 relief processes.* *The lead auditor on this assignment is Mr Kenrick Grant. Please provide me with the name of an individual within the Ministry to serve as liaison for providing information and assistance required by the audit staff in carrying out their duties.* *I am enclosing excerpts of the Constitution and the Audit Act which address the Audit Office's mandate to access public property and information. You may share this with your staff.* *Should you have any questions concerns regarding the foregoing I can be reached at by telephone* [redacted] *or by return email* [redacted]	7. The Auditor General, concerned that the issue was one of misunderstanding, wrote to the Permanent Secretary on 10 December 2020 and provided copies of the relevant sections from the Audit Act and the Constitution. A month and a half later after receiving no response to the information request, the Auditor General sent a reminder to the Permanent Secretary who replied in an email that repeated variations of points 1, 3 and 4 above. All of which indicated an absence of intention to cooperate. 8. The Permanent Secretary subsequently modified the tone of her communications to indicate impending co-operation, with language that suggested the information and documents would be sent. This however never materialised as <u>no documents were ever forwarded</u> and the audit <u>requests for access to databases were never approved</u>. 9. The Permanent Secretary also failed to assign an audit liaison within the Ministry, which is one of the first steps in any audit engagement. Assigning a liaison occurs before interviews commence as the individual is key to facilitating queries and information needs presented by the audit team. It is highly unusual for a Permanent Secretary (or department head) to spend time in ongoing email exchanges for document requests.
175. On 27 January 2021, the Auditor General emailed the PS as follows [Annex 76],	

Attorney General's Submission	Audit Response
"Reference is made to my email dated 10 December 2020 below. As we await your assignment of a contact person for this audit, please provide us with the following: *1.Electronic copies of all contracts issued for the Covid-19 programmes administered by the Premier's Office.* *2. Access to all applicant data bases for the various Covid-19 Programmes undertaken by the Premier's Office and its Departments.* *3. Copy of the Guidance and criteria used in administering the various programmes. This should address eligibility, approval process and amounts awarded.* *4. Other relevant information that may assist this process.* *The information can be sent to Audit Manager Mr Kenrick Grant ([redacted] and copied to myself. Mr Grant will be making contact to arrange for an interview."*	**Permanent Secretary's Specific Instructions to the Department of Trade to withdraw access and cooperation** 10. The Audit Office commenced review of the MSME business grants stimulus programme in November 2020 which is managed by the Department of Trade and Investment Promotion (a department under the portfolio of the Premier's Office). 11. On 2 December 2020, the audit staff requested the Director of Trade to provide access to Trade's MSME database of applications for stimulus grants. The Director forwarded the audit request to the Department of Information Technology and access was provided on the same day. 12. On 3 December 2020 the access to the Trade database was abruptly withdrawn without notice or enquiry. The Director of Trade informed the auditors that access had been withdrawn on the specific instruction of the Permanent Secretary. 13. Other requests made to the Director of Trade for information were not actioned as the Director advised that she had not received authorisation from the Permanent Secretary to provide cooperation. The Director on 29 April 2021 communicated to the audit team a "protocol" she had received from the Permanent Secretary in which the auditors were required to request "authorisation" from the Permanent Secretary for access to documents or information in the Trade Department. At no time was permission ever granted by the Permanent Secretary.
176. On 29 January 2021, the PS replied to the Auditor General as follows [Annex 76], *"With reference to the Stimulus packages, all of the programmes within the Premier's Office are still ongoing. We have been and are in contact with the Internal Audit Department, and they are currently in communication with us, advising and guiding us during the process. As I indicated to Mr. Grant, whenever the process is complete, the Reports will be sent to your Office".* 177. On the same day, 29 January 2021, the Auditor	

Attorney General's Submission	Audit Response
General replied by email that the involvement of the Internal Audit office did not "*preclude our office from examining the government's activities*". She observed that she and the Internal Auditor fulfilled different functions and that "*we plan our work to ensure that it does not interfere with the processes of your offices. Our access is (sic) on the data bases is "view only" which preserves the integrity of the information*". She pointed out that Government information was within her "*constitutional mandate*" and asked when the information would be received [Annex 76].	**Permanent Secretary's Use of delaying tactics and Excuses for Non-cooperation** 14. Despite repeated requests for information, the Permanent Secretary failed to demonstrate any good faith of intention to provide assistance. Instead, the Auditors were subjected to excuses, delaying tactics and false promises of cooperation. This is demonstrated in: a. Previously mentioned refusal to provide the Director of Trade with the permission she felt was needed to provide access to the database. This required no preparation, created no conflicts and involved no resource allocation from either office. b. Using the Internal Audit process as an excuse to withhold cooperation with the Audit Office. i. The Permanent Secretary advised that she was servicing requests from the Internal Audit Department and the duplicating requests from the Auditor General's Office were onerous. To avoid additional work the Permanent Secretary was advised to send to Auditor General's Office the same information that was forwarded to the Internal Audit Department. No information was received. ii. The Permanent Secretary further advised that the Auditor General's Office requests would not be serviced as there is a legal requirement for their process to follow that of the Internal Audit Department. The Auditor General's advice that no sequential process existed was not accepted. iii. In using the excuse above, the Permanent Secretary did not indicate
178. On 3 February 2021, the FS emailed her to request that she provide information to the Internal Auditor: see paragraph 146. The Cabinet, by its decisions of 27 May and 6 July 2020 (see paragraphs 77 and 111 above), had directed that the Internal Auditor should audit the Farmers and Fishers and the Schools, Pre Schools, Day-cares, Churches and Religious Organisations schemes. Therefore, the PS was now confronted with two parallel demands to audit the relevant schemes.	
179. Uncertain of her obligations, on 9 February 2021, the PS formally sought the advice of the Attorney General as follows [Annex 77], "*Please advise of the sequential process for providing information to the Auditor General. In particular, whether the Laws of the Virgin Islands allows the Auditor General to act prior to the Government's internal auditing process being completed.* *Accordingly, the Premier's Office is in need of your legal opinion on how to proceed so that the*	

Attorney General's Submission	Audit Response
proper procedural process could be applied and instituted going forward. *Thank you in advance for your most timely response."*	seeking out the guidance of the Director of Internal Audit for clarity regarding the misconceived statements that the roles of the two offices were sequential. c. Failing to convey any measure of urgency in the request made to Attorney General's Chambers to ascertain whether a Cabinet request should override a Constitutional obligation. This is considered another attempt at frustrating the process as: i. No mention is made in the initial submission to the Attorney General for a legal opinion that the Audit Office had made several requests for documents and access since July 2020 that were **all** outstanding and being withheld pending a response. ii. No effort was made to follow up on this legal opinion despite being repeatedly pressed to produce the information by the Auditor General. The follow-up occurred only after the draft audit reports were issued, in what appears to be an effort to obtain support for failing to cooperate with the process; iii. At no time during the period that the Permanent Secretary was withholding access to public information was the Auditor General informed that a legal opinion had been sought. This speaks to genuineness of purpose.
180. On 17 February 2021, the PS emailed the Auditor General as follows, *"I acknowledge receipt of your email. I noticed that you have indicated in your correspondence that you do not want the process to be disruptive to the office. I appreciate and accept that.* *We are currently working with Internal Audit and focusing on getting queries addressed that that Office requested.* *It is my aim to cooperate with your Office, but it will be quite challenging and unusual to deal with two audit bodies simultaneously.* *As I previously stated, all reports will be sent to you and meetings will be organized.* *I hope that along with our regular schedule, that we will be able to finalize the stimulus packages very shortly so that we can conclude this exercise."*	
181. On 22 February 2021, the Auditor General replied that *"to facilitate commencement of the process our office can receive the same information and access to databases and files afforded to the Internal Audit. Additional information will be requested as required"* [Annex 76].	
182. On 10 March 2021, the PS replied to the Auditor General assuring her, as she had assured the Internal Auditor, that she would supply the information once it was ready and asked her to copy her PA, Tamesha Smith, into future emails. On the same day, 10 March 2021, the Auditor General replied, thanking the PS for her email and	**Parallel Demands** 15. The significance of COVID-19 Stimulus programmes is underscored by the fact that both the Auditor General's Office and the Internal Audit Department were engaged in reviewing the programmes. But for different reasons and from different perspectives. As a management control,

Attorney General's Submission	Audit Response
requesting, "*in the meantime, can you please provide access to the Trade (and other) databases as these do not need preparation. The auditors can commence working with these immediately*".	Cabinet directed Internal Audit to review the programmes and report monthly. This created an obligation for the Director of Internal Audit.
183. No further communication from the Auditor General was received by the Premier's Office until 25 May 2021, when she emailed to the PS a copy of her draft report on the "COVID-19 Stimulus Grants to Farmers and Fishermen". She requested [Annex 77], "*Please let me have your comments on the contents of the same by 8 June 2021. If we have not received your comments by that date, it will be considered that the contents of the report have been fully accepted and a final report will be issued*".	16. The Auditor General's office involvement was two-fold. a. The value of the programme in totality ($72 million) rendered the activity material to the review of the annual financial statements. Early involvement would allow the office in achieving the level of assurance needed to certify that the funds had been applied in accordance with the relevant regulations; b. The programmes which consisted primarily of discretionary spending (grant awards) were assessed as a high risk to value for money thus requiring programme reviews.
184. At no stage prior to 25 May 2021, had the PS been informed by the Auditor General that she had decided to continue with the preparation and drafting of a report without requesting to speak to officials in the Premier's Office (as she had said she would) and without waiting for the information that the PS had said would be sent to her. No indication had been given to her of the need for expedition or that the Auditor General was working to any particular timetable.	17. Both audit offices made requests for information that required no duplication of effort. The same information could have been shared with both offices. The Permanent Secretary was explicitly so advised.
185. On the contrary, the terms of the Auditor General's Chambers response to the PS's email of 10 March 2021, in which she had assured the Auditor General the information would be supplied once it was ready, had been to suggest that "*in the meantime*" the PS should let her have access to the "*Trade (and other) databases*". That must clearly have indicated that the Auditor General was willing to wait. However, there were no databases in connection with the Farmers and Fishers or the Schools and Churches Grants Schemes.	**Absence of Urgency Claim** 18. The Permanent Secretary has misconceived the audit process (and reporting lines) if she believes that the Auditor General is under an obligation to inform her of the status of the audit report, as she suggests in paragraph 184. 19. The repeated and insistent requests from the Auditor General (and members of her staff) were sufficient to convey that there was need for expedition in providing the

Attorney General's Submission	Audit Response
	information. The use of the phrase "we can commence immediately" with the databases conveys the currency (ongoing status) of the audit.
186. Further, by 25 May, the Attorney General had not yet responded to the PS' memorandum of 9 February 2021, which asked for a "*most timely response*" to her request for legal advice concerning her obligations in connection with the Auditor General's demands prior to the completion of an audit by the Internal Auditor.	The audit process cannot be frustrated by the non-cooperation and non-transparent activities of a public servant. This type of behaviour raises red flags and must be reported. Notwithstanding the absence of cooperation from the Premiers Office, including failing to respond to an audit request for an interview in November 2020, there could be no doubt that this was an audit review that was in progress.
187. Therefore, the Government rejects the assertion made by the Auditor General at paragraphs 5 and 6 of each of her reports that the Premier's Office refused or denied repeated requests for information.	Finally, the Auditor General determines the content of reports. The Permanent Secretary was given an opportunity to respond with corrections (and supporting evidence) and did not do so.
188. On 31 May 2021, by email, Tamesha Smith, on behalf of the PS sent a letter asking for a consideration of the report [Annex 78]. In that letter the PS reiterated that no discourtesy was intended to the Auditor General or her office in respect of the "*request for access to records and information*" and that the Premier's Office was "*unreservedly committed*" to assisting the Auditor General's office in fulfilling their Statutory and Constitutional responsibilities [Annex 79]. However, she said that, as she had intimated on the telephone to the Auditor General, all Ministries including the Premier's Office had been overwhelmed by dealing with the COI requests, including providing 85,000 pages of material. She explained the level of priority that was being accorded to the COI. She also referred to staffing issues. She therefore asked for an extension to the 29 June 2021. She also pointed out that "*on a cursory scan*" she had detected "*some items of information*" which were "*inaccurate*" that the "*distribution of stimulus funds*" was still ongoing and that the internal audit process had not yet concluded [Annex 79]. The Auditor General replied, on the same day, saying her Office were "*able to extend the response date to 15 May 2021*". The Auditor General also said that she looked forward to receiving the PO's "*response (and supporting evidence) as this will*	

Attorney General's Submission	Audit Response
allow for the items described in the report to be corrected" [Annex 78] She later corrected the date for response to 15 June 2021 [Annex 79].	
189. On 3 June 2021, the Auditor General sent the PS her draft audit report on COVID-19 Stimulus Grants to Religious Institutions, Civic Groups, Private Schools and Daycares, asking for comments by 19 June 2021, failing which she said it would be considered that the contents of the report "*have been fully accepted and a final report will be issued*" [Annex 80].	
190. On 14 June 2021, the PS emailed the Auditor General saying that she had tried to make contact with the Auditor General the previous week regarding the Farmers and Fishermen stimulus, asking that the Auditor General telephone her to discuss "*the matter of submitting the feedback*" [Annex 81].	
191. On the same day the Auditor General replied telling the PS that the PO's response could be sent by email or be hand delivered to her office by courier. The PS responded saying that she had tried to contact the Auditor General to ask for more time, given the concurrent requests from the COI with which she was dealing and staffing issues, asking that consideration be given to allowing an extra week.	
192. On 15 June 2021 the PS wrote to the Auditor General referring to her letters of 31 May, 14 June and further email of 14 June 2021 referring to the "*capacity issues*" at the Premier's Office which was "*posing several challenges*" to meet the current deadlines of 15 and 19 June 2021 for the responses to the draft reports on the Stimuli for Farmers and Fishermen and Religious Institutions and Schools respectively [Annex 79]. The "*challenges*" described related to staffing and the high demands of the COI, coupled with the "*daily functions*" of the Office	

Attorney General's Submission	Audit Response
and requests from the House of Assembly. The PS therefore sought extensions of one week (i.e. to 22 and 26 June 2021) for the answers to the two draft reports.	
193. On the same day the PS wrote to the Attorney General chasing for the legal advice for which she had asked on 9 February 2021, indicating that this was now urgent as the Auditor General's draft report stated that the Premier's Office had refused to furnish information, when in fact it was the Premier's Office' belief that "*Internal Audit upon completion of the monthly audits as directed by Cabinet would suffice until the initiative is closed off. Subsequently the Auditor General would then proceed to do a post Audit*".	
194. On 16 June 2021, the Auditor General replied to the PS's letter of 15 June 2021, saying that the "*typical response period for draft reports such as this is two weeks*" and that her office needed to complete the assignments "*in a timely manner to allow us to proceed with our work programme*" asking for a response to both reports by Monday 21 June 2021 warning that "*After that date the reports will be finalised*".	
195. On 17 June 2021, the PS responded with thanks, indicating that the Premier's Office would "*endeavour to meet that deadline*" but emphasising that these "*are not typical times*".	
196. In an exchange of emails on 18 June 2021, the Auditor General clarified that the finalisation date for both draft reports would be 21 June 2021.	
197. On 21 June 2021, the PS emailed the Auditor General indicating that she had been trying to reach her via telephone without success. She said that her office had *"been working assiduously to provide a meaningful response to these draft documents*" [Annex 79]. She described how staff had been coming in at weekends to assist and that progress had been made despite "*the various constraints*" to which she had already referred,	

Attorney General's Submission	Audit Response
which included "*staffing issues as well as other responsibilities of this office*" which were beyond their control. She referred to the "*extreme demands*" placed upon the "*very limited resources*" of the Premier's Office by the CoI requests. She explained that it was in light of these circumstances that she had initially sought the three week extension in respect of the Farmers and Fishermen report. She pointed out that "*a cursory look at your two reports have shown fundamental errors that appear to emanate from the source of the data used by your office with respect to claims of accounting errors, financial payouts and methodology*". She asked the Auditor General to bear in mind that the "*normal and prescribed internal auditing process has not yet had the opportunity to run its proper course*" and asked for a "*reasonable timeframe for preparing a proper and comprehensive reply*" to the draft reports. She therefore asked for an extension of time to respond to both draft reports until 28 June 2021. She said that the Premier's Office were simply trying to do their best "*with the limited resources available*".	
198. The Auditor General replied that day, thanking the PS for the update and asking that she "*Please forward your response with the information already compiled*" [Annex 79]. The PS Secretary responded by return expressing her unwillingness to "*to provide incomplete information, especially when dealing with unaudited data*" and that she was optimistic that "*the responses will be completed by 28 June 2011*" but that if they could be finished before then they would be provided earlier	
199. Later that day by email at 9:15pm the Auditor General's reports on the Farmers and Fishermen and Religious Institutions and Schools were forwarded to the Governor in accordance with section 20 of the Audit Act 2003 [Annex 79].	
200. On 25 June 2021 the Attorney General's Chambers provided the advice which the Permanent Secretary had sought on 9 February 2021 and then	

Attorney General's Submission	Audit Response
chased for on 15 June 2021, to the effect that the Premier's Office should take immediate steps to comply with the Auditor General's request for information [Annex 79].	
201. On 29 June 2021 the PS wrote to the Auditor General providing the original Addendum [Annex 79] and a set of correspondence between her and the Auditor General, proposing that her letter and its attachments be included as a Further Addendum to the Auditor General's reports. She referred to respect within the Premier's Office for the important role of the Auditor General and their "*willingness to provide you with accurate information*" having "*emphasised on repeated occasions that the Premier's Office simply required adequate time to compile this information given the resource constraints we were operating with, which was severely strained due to the high volume of requests for information for the CoI*". She also said that she had pointed out "*on several occasions that numerous factual inaccuracies were observed in your office's draft Special Audit Reports*" for the COVID-19 Stimuli.	

General

COVID -19 - Economic Stimulus - Daycares, Pre-schools, Private Schools, Churches and Religious Organisations

- Signed

- 16 June 2020

- MOF

- File: FIN/G2/110

- Mr. Document Transfers

- Memo No. 236/2020

Background Information

1)The negative impacts of COVID-19 spilled over into the social services of the Virgin Islands society shortly after the announcement by the World Health Organisation, that the virus had been upgraded to global pandemic status on 11th March, 2020. In an attempt to curb the spread of the virus, the Government mandated the suspension of cruise ship arrivals, closed the Territory's borders and imposed a 24-hour domestic curfew from 26th March, 2020, which extended for approximately one (1) month. From 27th April, limited hours of commerce were introduced. Mass gatherings of every kind including at schools, churches and other social events were suspended immediately.

2)This disruption in social activity in particular, had devastating consequences for small businesses like Private Schools, Preschools and Daycare Centres. Church gatherings and other social activities that churches administer such as weddings, funerals and after school programmes, were all suspended or extremely restricted in numbers, due to social distancing measures that are strictly enforced. The Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture reported that the number of Private Schools, Preschools, Daycare Centres and Churches that have been affected are as follow; fourteen (14) Private Schools, twenty-one (21) Daycare/Preschools, six (6) Preschools only, three (3) Daycares only and eighty-five (85) Churches.

3)The closures of schools, preschools and daycare centres have negatively affected the productivity in a number of businesses and government agencies across the entire territory, due to parents having to either work from home to take care of the children who are now home due to closures in all schools, preschools and daycare centres. The restricted activities of churches Territory wide have also taken its emotional toll on residents who are not able to attend church services as normal. In addition, the ability for persons to not be able to attend funerals of loved ones and close friends in the normal fashion, has created much distress for persons in the community, particularly the senior citizens and residents.

4)In an effort to bring back some sense of normalcy for residents to be able to attend church services, funerals, weddings etc., and to allow schools, preschools and daycare centres to reopen, a number of social distancing measures will need to be put in place at these establishments. In addition and due to closures, many of the private schools, preschools and daycare centres struggle to keep their staff on full time pay because there is no income being generated. To assist private schools, preschools, daycare centres, churches and religious organisations to prepare themselves to receive students, participants and parishioners, once more the Government seeks to establish a COVID-19 relief stimulus package to support them in the amount of one million dollars ($1,000,000), by way of a grant to the Government of the Virgin Islands from the Social Security Board.

5)A committee consisting of persons from the Premier's Office, Ministry of Finance and the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture, will be responsible for structuring the grant programme and administering it, once formal approval from the Cabinet is given. The initiative will be audited on a monthly basis by the Internal Auditor and the report will be forwarded to the Cabinet by the Minister of Finance, within one (1) month after receipt.

6)The Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture will receive and screen applications for administrative compliance. The vetted applications will then be submitted to the committee to make recommendations to the Premier's Office, on award of grant amounts. Payment of grant awards will be made from Premier's Office Head 22204090 (Policy, Planning & Administration) - Subhead 528662 (Corona Virus Prevention Expense).

7)These institutions absolutely play a vital role in our community, and their closures due to the COVID-19 pandemic crisis, is a major set back. It is hoped that this stimulus will help them prepare themselves for re-opening and getting through this pandemic.

Purpose

8)To provide support for daycares, private schools, churches and other religious organisations in the Virgin Islands that have been adversely affected by the COVID-19 pandemic crisis.

Cross-Ministry Consultation

9)Permanent Secretary in the Ministry of Education Culture, Youth Affairs, Fisheries and Agriculture has been invited to comment on the paper.

Permanent Secretary, Education, Culture, Youth Affairs, Fisheries and Agriculture stated:

10)**As the Ministry with responsibility for schools and ecclesiastical affairs, we are grateful for the opportunity to comment on the Cabinet Paper.**

11)**The Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture (the Ministry) supports the decision sought. The vetting of applications as outlined in paragraph 6 of the Background Information will be a key component of administering this package, so I believe that this aspect of the process should be listed in the decision sought. Please note that preschools need to be added to the decision sought (1) as well as to paragraphs 8 and 10.**

12)**I have noted that in the decision sought (1), reference is made to a package to support religious organisations. Please note that the figure of 85 provided by the Ministry (after consultation with the Ministry of Health and Social Development) is for churches and not religious organisations. There are a number of registered religious organisations that are not churches, so there is a need to clarify, even from the number provided, whether it is Cabinet's intention for all religious organisations to benefit from the stimulus package.**

13)**Paragraph 3 in the background information makes reference to the emotional toll on residents who were unable to attend church. It must be noted, however, that there has also been a financial impact on churches' operations due to the closure of these institutions. In addition to private schools, daycare centres and preschools struggling to keep their staff on full time pay, many of them have been unable to meet their rent obligations, resulting in the closure of at least one centre.**

14)**With respect to the process, I have noted that the Ministry will receive and screen applications for administrative compliance and then submit the vetted**

applications to the committee to make recommendations to the Premier's Office on award of grant amounts. It is therefore important that the criteria be established so that they could be included in the application form. Given the time that has elapsed since the initial announcement of this stimulus package was made, once an announcement is made of Cabinet's decision, persons will be expecting that they could apply immediately.

15)**What is meant by administrative compliance? I believe it is important that Government agencies continue to collaborate on compliance matters especially as it relates to institutions being beneficiaries of grants. For example, there are churches that seek to remain compliant with the provisions of the Non Profit Organisation Act, 2012 while others do not. Will those whose registrations are current be eligible for a greater portion of the stimulus? How will the committee make recommendations on the grant amounts? Will the amount of funds from the stimulus for daycare centres, preschools, and churches be categorized by their size (i.e. number of students/ members) or years of existence? How do we deal with the mainline denominations that have several congregations?**

16)**I know that the referenced institutions have been eagerly awaiting assistance so I look forward to Cabinet's approval of the process.**

Financial Implications

17)The fluidity of the pandemic has caused an adverse impact on the economy and social fabric of the Territory. The schools, daycare centres, and religious organisations play a vital role; hence, need to be re-opened quickly. The financial assistance being considered as per the Decision Sought for the non-governmental institutions (private schools, preschools, daycare centres, churches and other religious organisations) is insignificant to the exponentially higher gains that the Government of the Virgin Islands stands to benefit in direct taxes and fees and savings from mitigation against further social ills if these institutions reopen, and opportunity for more funds to be contributed to the Social Security Board Scheme because of the employed and employable (laid off and new job seekers from college and high school) being able to obtain work or re-turn to work.

18)It must be noted that the necessary controls of application oversight are enshrined in the Decision Sought; and the Ministry of Finance being an oversight member will work with the collective towards equitable eligibility and distribution criteria with consideration for existing legislation governing businesses and non-profit organisations, and other best practices. This is also an opportunity for regularisation of those organisations which are not up to date. It is expected that these oversight controls will be diligently executed in order to ensure transparency and accountability.

Legal Implications

19)Having reviewed the draft Cabinet Paper relative to the captioned matter which invites Cabinet to, approve a COVID-19 Economic Stimulus Package to support daycares, private schools and religious organisations in the amount of one million dollars ($1,000,000.00) by way of a grant to the Government of the Virgin Islands from the Social Security Board to be met from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense; decide that a Committee be established consisting of representatives from the Permanent Secretary, Premier's Office or designate (Chair), the Ministry of Finance or designate (Member), the Permanent Secretary, Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture or designate (Member) and Director of Communication or designate with responsibility for structuring and administering the Grant Programme; decide that the Programme be audited on a monthly basis by the Internal Auditor and that the report be forwarded to the Cabinet by the Minister of Finance within one (1) month after receipt; and decide that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

20)We discern no adverse legal implications which would arise for the Government of the Virgin Islands if Cabinet, as the ultimate decision maker, were to agree in accordance with the Decisions Sought.

Budget

21)The funding allocated to support daycares, private schools and religious organisations is in the amount of $1 million each and it is to be directly disbursed to the business community in the form of relief grants. Payment to be made from Premier's Office Head Subhead .

Communication Strategy

22)The Government Information Services Department will develop the communication strategy for this initiative.

Conclusion

23)Cabinet is invited to concur with the decision sought.

Decision Sought

Cabinet is invited to:

a. approve, from the Social Security Board's Grant to the Government of the Virgin Islands, the sum of one million dollars ($1M) as a COVID-19 Economic Stimulus Package to support daycares, pre-schools, private schools and religious organisations to be met from the Premier's Office Head 22204090 Subhead 528662 - Corona Virus Prevention Expense;

b. decide that a Committee be established consisting of representatives from the Permanent Secretary in the Premier's Office or designate (Chair); the Financial Secretary or designate (Member); the Permanent Secretary in the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture or designate (Member); and Director of Communication or designate, with responsibility for structuring and administering the Grant Programme;

c. decide that the Programme be audited on a monthly basis by the Internal Auditor and that the report be forwarded to the Cabinet by the Minister of Finance within one (1) month after receipt; and

d. decide that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Recipients: Attorney General, AGC; Permanent Secretary, MECAFSYA;

Hon. Andrew A. Fahie
Minister of Finance

06 July 2020

EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
8th July, 2020

COVID -19 - Economic Stimulus - Daycares, Pre-schools, Private Schools, Churches and Religious Organisations - Memo No. 236/2020

Further to the decision made by the Cabinet on 8th July, 2020, below is the amended decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. approved, from the Social Security Board's Grant to the Government of the Virgin Islands, the sum of one million dollars ($1M) as a COVID-19 Economic Stimulus Package to support daycares, pre-schools, private schools and religious organisations to be met from the Premier's Office Head 22204090 Subhead 528662 - Corona Virus Prevention Expense;

b. decided that a Committee be established consisting of representatives from the Permanent Secretary in the Premier's Office or designate (Chair); the Financial Secretary or designate (Member); the Permanent Secretary in the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture or designate (Member); and Director of Communication or designate, with responsibility for structuring and administering the Grant Programme;

c. decided that the Programme be audited on a monthly basis by the Internal Auditor and that the report be forwarded to the Cabinet by the Minister of Finance within one (1) month after receipt; and

d. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.

Ms. Sandra Ward
8th July, 2020

COVID-19 Economic Stimulus Schools and Organisation Programme

Policy Brief

14th July, 2020

1.0 Background

The negative impacts of COVID-19 spilled over into the social services of the Virgin Islands society shortly after the announcement by the World Health Organisation, that the virus had been upgraded to global pandemic status on 11th March, 2020. In an attempt to curb the spread of the virus, the Government mandated the suspension of cruise ship arrivals, closed the Territory's borders and imposed a 24-hour domestic curfew from 26th March, 2020, which extended for approximately one (1) month. From 27th April, limited hours of commerce were introduced. Mass gatherings of every kind including at schools, churches and other social events were suspended immediately.

This disruption in social activity in particular, had devastating consequences for small businesses like Private Schools, Preschools and Daycare Centres. Church gatherings and other social activities that churches administer such as weddings, funerals and after school programmes, were all suspended or extremely restricted in numbers, due to social distancing measures that are strictly enforced.

The closures of schools, preschools and daycare centres have negatively affected the productivity in a number of businesses and government agencies across the entire territory, due to parents having to either work from home to take care of the children who are now home due to closures in all schools, preschools and daycare centres.

The restricted activities of churches Territory wide have also taken its emotional toll on residents who are not able to attend church services as normal. In addition, the ability for persons to not be able to attend funerals of loved ones and close friends in the normal fashion has created much distress for persons in the community, particularly the senior citizens and residents.

The Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture reported that the number of Private Schools, Preschools, Daycare Centres and Churches that have been affected are as follow; fourteen (14) Private Schools, twenty-one (21) Daycare/Preschools, six (6) Preschools only, three (3) Daycares only, seventy-eight (78) Churches, and fourteen (14) religious organisations.

In an effort to bring back some sense of normalcy for residents to be able to attend church services, funerals, weddings etc., and to allow private schools, preschools and daycare centres to reopen, a number of social distancing measures will need to be put in place at these establishments. In addition and due to closures, many of the private schools, preschools and daycare centres struggle to keep their staff on full time pay because there is no income being generated. Additionally, many have gone into arrears for rental payments for the premises that are being used for the facilities.

The Government of the Virgin Islands included as part of its Economic Response Plan (Phase II) released on 28 May 2020, dedicated funds to assist private schools,

preschools, daycare centres, churches and religious organisations to prepare themselves to receive students, participants and parishioners.

Cabinet approved the COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations via Extract Memo No. 236/2020 on 9th July 2020 in the amount of one million dollars ($1,000,000.00) funded through a grant from the BVI Social Security Board.

To facilitate the design and implementation of the programme Cabinet also decided that a Committee be established consisting of representatives from the Premier's Office (Chair), the Ministry of Finance (Member), and the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture (Member). This committee will ensure the effective administration and management of the application process for the approval and disbursement of the grants.

2.0 Programme Overview

2.1 Objective of Programme

The day cares, pre-schools, private schools, churches and religious organisations absolutely play a vital role in our community, and their closures due to the COVID-19 pandemic crisis, is a major set-back. It is hoped that this stimulus will help these institutions in the Virgin Islands that have been adversely affected by the COVID-19 pandemic crisis to prepare themselves for re-opening.

2.2 Grant Allocation

One possible way of allocating the grant funds among the schools, churches and religious organisations is to do so equally, that is dividing the $1 million by the 125 (all the schools, churches and religious organisations). It was reasonably assumed that all the schools (as previously broken down) and all the churches and religious organisations would have been affected by COVID-19 pandemic as they were all required to be closed. This would result in a distribution of approximately $8,000 among each institution. However, this method and any other approach that fails to consider the impact of the crisis on each institution and their expenditure for re-opening would not present a tangible and equitable approach. Therefore, the equal distribution method would not realistically and fairly provide the level of support that would enable any of these institutions to re-open their doors to receive students, participants and parishioners in accordance with the COVID-19 health and safety guidelines.

Understanding the impact of cost of preparations to re-open on the operations of the institutions is therefore critical in determining the amount of the grant allocation. For the purposes of this programme, the "cost per student/member" is a fair measure of impact would result in a more targeted and equitable distribution of funds, with the greatest positive effect on the private education and social sector, and the overall economy.

A survey was administered to the two groups (schools, and churches and religious organizations) on the 28th July 2020. These institutions were required on the surveys to provide information on revenues and expenditures pre-COVID-19 and during the COVID-19 period to date, along with their expenditure in preparation for re-opening in accordance with the COVID-19 health and safety protocols. The amount spent to re-open is critical in determining the amount of funds an institution is granted. Since the needs of some of the schools and churches and religious organisations will most definitely outstrip the value of the programme ($1 million), only a certain percentage of losses and expenditure in the form of a grant would be possible.

While the value of re-opening expenditure would have the highest weighing in the computation of the final score, smaller percentage weighing would be assigned to institutional structure (number of levels of schools – day cares, pre-school, primary, secondary, and church), and to the institution's compliance with their statutory obligations (renewal of non-profit organizations registration, payroll taxes, social security, national health insurance, and trade licence).

It is anticipated that within 2-3 weeks after the close of the surveys, schools and churches and religious organisations would begin to receive grant payments. During the stated period of time after the deadline for the surveys, the data would be analysed, then used to determine the percentage distribution of funds.

3.0 Application Process

3.1 Eligibility

The following eligibility requirements have been proposed for qualification of schools, and churches and religious organisations for the COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations.

Day cares, pre-schools, and private schools must:

1. have a valid trade license with all payments up to date. Businesses that are currently not up to date are required to do so by the end of the application deadline; and
2. have commenced operations prior to January 31, 2020, and now re-opened.

Churches and religious organisations must:

1. have applied for renewal of registration as a non-profit organization (NPO) in accordance with the provisions of the Non Profit Organisation Act, 2012, or have a current NPO certificate.
2. have been in existence prior to January 31, 2020, and now re-opened.

3.2 Application Requirements

Schools, churches and religious organisations were each required to complete a survey, and submit electronically. The surveys named "**Questionnaire for Churches and Religious Organisations - COVID-19 Economic Stimulus Assistance**" and "**Questionnaire for Daycares, Pre-Schools and Private Schools - COVID-19 Economic Stimulus Assistance**" were available on the Government's Website from the 28th July, 2020. Hard copies of the surveys were also available if needed, and assistance in completion of the surveys was provided by the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture. The original deadline for the completion of the surveys was the 3rd of August, but due to the festival holidays and a slow initial response rate, the deadline was extended until the 17th August, 2020. See **Appendix A** for hard copies of the two surveys.

The following supporting documents and information from day cares, pre-schools, and private schools was required and the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture may request additional information, as necessary.

1. Proof of good standing with the following bodies, if available. This can be in the form of a copy of the good standing certificate, a copy of receipt of most recent payment or authorized payment plan:
    i. National Health Insurance,
    ii. Social Security Board, and
    iii. Inland Revenue Department.

A day subsequent to the close of the surveys, a letter was sent electronically to all the schools to request that they provide copies of payment receipts or certificates of good standing for payroll taxes, social security and national health insurance. A deadline of Friday, 21st August, 2020 was provided for submission of copies of these documents, either electronically or in hard copy to the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture. Verification of a valid trade licence was completed through the Department of Trade Investment Promotion & Consumer Affairs. While, verification that churches and religious organisations applied for renewal of registration as a NPO was made through the Ministry of Health and Social Development.

A report showing the summary results from the surveys is attached in **Appendix B**.

4.0 Selection and Monitoring and Evaluation Process

There is no selection of eligible institutions as they are all going to qualify for some level of grant funds, provided they have re-opened. A ranking system would be used for scoring each institution based on institutional structure, statutory compliance, and value of re-opening expenditure. Each institution would be assigned a score based on where they fall in the ranking for each category, with a total score for each entity being realized at the end.

The share of each score of the total of all scores would be used to distribute the grant amount.

The total grant amount must be shared between the schools and the churches in a fair and equitable manner. The share of each institution's re-opening spending total of both groups of institutions re-opening spending total was used to distribute the total grant amount. See the Admin Guidelines document in **Appendix C**.

The Committee, which was established by Cabinet will review the list of beneficiaries for the grant and the grant allocation amount before submission to the Minister of Finance for final review and approval.

The Committee will also be responsible for monitoring and evaluation of the programme. The programme will be monitored and evaluated by collecting information through participant surveys, focus group discussions and interviews carried out periodically during and after the implementation period.

The following output and outcome measures could be utilised to assess the performance and impact of the programme. This information would also be useful in informing future policy interventions in the education and social sectors.

OUTPUT INDICATORS	OUTCOME INDICATORS
Number of schools, churches and religious organisations receiving grants through programme	Proportion of schools, churches and religious organisations receiving grant still in operation after six (6) months
$ value granted by institution	Number of employees retained in schools
$ value expenditure of funds by institution and by expenditure category	% increase in revenue for schools provided with grant
	% increase in membership/tithes for churches/religious organistions provided with grant
	% satisfied recipients with the Programme

The Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture, with the assistance of the Ministry of Finance will review the supporting documents for compliance with statutory obligations, and check the validity of the compliance information stated by the respondents.

5.0 Payment of Grants

Grants will be processed and disbursed in accordance with Cabinet's decision from the approved COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations Grant Programme via the COVID-19 Economic Stimulus Package in the amount of one million dollars ($1,000,000.00) from the Social Security Board.

Payments will be made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense.

Payments would be made directly to the institution by direct bank transfer. The day cares, pre-schools, and private schools would be required to sign agreement with the government prior to the transfer being made. This agreement would legally bind the institution to use the grant funds only to support its continued operations, and to remain in compliance with the COVID-19 health and safely protocol for re-opening. If the grant funds are utilized for any other purpose, then the institution would be required to return to funds to government.

6.0 Other Considerations

The Government including Statutory Bodies has launched a plethora of assistance programmes as part of the Economic Response Plan – Phase 2 targeting in some form the MSME sector directly or indirectly. These include the BVI Electricity Corporation's COVID-19 Amnesty Programme, Economic Stimulus to farmers and fisherfolk, House of Assembly of the Virgin Islands COVID-19 Assistance Programme, COVID-19 Unemployment/Underemployment Benefit administered by the Social Security Board and the United Nations Development Programme grant programme for food operators.

Creation of a central repository of data and information on the recipients of assistance from the various programmes will be very beneficial in understanding the types of businesses that have been impacted by COVID-19, the extent that the crisis has affected their businesses, and the type and level of assistance they have received. Moreover, such information will be valuable in guiding and shaping future economic assistance policy initiatives, and thus ensure the best usage of taxpayer funds.

All the data from the completion of the surveys by schools, churches and religious organisations has been stored in a database. After a review of the submitted completed

surveys, there were some duplicates and errors which were edited directly in the database after verification (by email/telephone) with the respondents. Corrections were only made in the database, not on the completed surveys.

7.0 Conclusion

The length and depth of the impact of COVID-19 on small vulnerable states like the BVI is still unknown. As the Territory braces for further declines in economic activity and growth, sustained Government intervention may be required over the medium-term. Other phases of economic support and economic stimulation may still need to be targeted to the education and social sectors. Day cares, pre-schools and private schools are vital to the productivity of public and private sectors in the Territory and will continue to be affected as the crisis is prolonged, combined with added threats from potential hurricanes, earthquakes and other catastrophic events. On the other hand, the churches and religious organisations are critical to the spiritual, emotional and mental health of people of the Territory. Consequently, following the implementation of this programme and assessment of its level of coverage, the Government may definitely need to consider in its Phase 3 response additional support to the education and social sectors. This could take the form of additional grants, soft loans, and/or technical advice.

8.0 Appendices

Appendix A

Questionnaire for Daycares, Pre-Schools and Private Schools - COVID-19 Economic Stimulus Assistance

GOVERNMENT OF THE VIRGIN ISLANDS

Questionnaire for Dayceres, Pre-Schools and Private Schools - COVID-19 Economic Stimulus Assistance

Preliminary Questionnaire - COVID-19 Economic Stimulus Assistance to Schools

The objective of this questionnaire is to collect the relevant information to establish the degree of assistance required by schools (day cares, pre-schools and private schools), as per available funding.

PLEASE COMPLETE THE INFORMATION ACCURATELY AND SUBMIT BY MONDAY, 3rd AUGUST, 2020.

* 1. Name of your Institution

* 2. Type of Institutional Structure:Name of your Institution (Select all that apply):

Day care Pre-school Primary school Secondary school

Church

* 3. Number of students enrolled:

before March 11, 2020

from March 11 - 31, 2020

April

May

June

* 4. Number of teachers:

before March 11, 2020

from March 11 - 31, 2020

April

May

June

* 5. Number of auxiliary staff (such as, cleaners, office staff, care takers, grounds persons, and administrative staff):

before March 11, 2020

from March 11 to 31, 2020

April

May

June

* 6. Monthly Revenue (fees) collected:

up to the end of February

March

April

May

June

* 7. Monthly expenses (overheads):

up to the end of February

March

April

May

June

* 8. Estimate of funds spent to date in preparing institution to fulfill the requirements as stated in the health guidelines:

* 9. Estimate of additional funds needed to prepare institution to fulfil the requirements as stated in the health guidelines:

* 10. Contact Information for Applicant:

Name

Email Address

Phone Number

* 11. Please state the date

Date:

Date

Questionnaire for Churches and Religious Organisations - COVID-19 Economic Stimulus Assistance

GOVERNMENT OF THE VIRGIN ISLANDS

Questionnaire for Churches and Religious Organisations - COVID-19 Economic Stimulus Assistance

Preliminary Questionnaire - COVID-19 Economic Stimulus Assistance to Churches & Religious Orgs.

The objective of this questionnaire is to collect the relevant information to establish the degree of assistance required by churches and religious organisations, as per available funding.

PLEASE COMPLETE THE INFORMATION ACCURATELY AND SUBMIT BY MONDAY, 3RD AUGUST, 2020.

* 1. Name of your Church:

* 2. Membership at your church:

Number

* 3. Monthly expenses (including assistance to church members):

up to the end of February

March

April

May

June

* 4. Monthly tithes and offering collected:

up to the end of February

March

April

May

June

* 5. Estimate of funds spent to date in preparing your church to fulfill the requirements as stated in the health guidelines for re-opening:

$

* 6. Estimate of additional funds needed to prepare your church to fulfill the requirements as stated in the health guidelines for re-opening:

$

7. Do you have any salaried/waged workers?

Yes

No

* 8. How many:

up to the end of February?

March?

April?

May?

June?

* 9. Contact Information for Applicant:

Name

Email Address

Phone Number

* 10. Date of Completion:

Date

Date

Appendix B

Summary Report on Findings from Questionnaires to Schools, and Churches and Religious Organisations

Appendix C

Admin Guidelines for COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations Grant Programme

General

COVID-19 Economic Stimulus Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisation Programme (Revised)

- Signed

- 08 September 2020

- MOF

- File: FIN/G2/110

- Mr. Document Transfers

- Memo No. 342/2020

Background Information

1)The COVID-19 virus has negatively impacted the social services sector of the Virgin Islands with the imposition of restrictions on mass gatherings of every kind including at schools, churches and other social events. This disruption in social activity in particular, had devastating consequences for small businesses like Private Schools, Preschools and Daycare Centres as well as church gatherings and other social activities that churches administer such as weddings, funerals and after school programmes. These

types of social events have all been suspended or extremely restricted in numbers, due to social distancing measures that are strictly enforced.

2)In response, the Government of the Virgin Islands as part of its Economic Response Plan (Phase II) released on 28th May 2020, approved the COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations via Extract Memo No. 236/2020 on 9th July, 2020, in the amount of two million three hundred ninety two thousand eight hundred and eighteen dollars ($2,392,818.00). A copy of the Cabinet Extract is attached as **Appendix A**.

3)Cabinet also approved the establishment of a Committee to administer the smooth function and implementation of the programme, review the list of beneficiaries for the grant and the grant allocation amount, before submission to the Cabinet for final review and approval.

4)The Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture, with the assistance of the Ministry of Finance, will review the supporting documents for compliance with statutory obligations, and check the validity of the compliance information stated by the respondents.

5)The Ministry of Finance will also be responsible for monitoring and evaluating the implementation of the programme, reporting to the Committee as per an agreed schedule. The programme will be monitored and evaluated by collecting information through participant surveys, focus group discussions and interviews carried out periodically during and after the implementation period.

Application Process

6)The following eligibility requirements have been proposed for qualification of schools, and churches and religious organisations for the COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations.

7)Day cares, pre-schools, and private schools must:

i. have a valid trade license with all payments up to date. Businesses that are currently not up to date are required to do so by the end of the application deadline; and

ii. have commenced operations prior to 31st January 2020, and now re-opened.

8)Churches and religious organisations must:

i. have applied for renewal of registration as a non-profit organization (NPO) in accordance with the provisions of the Non-Profit Organisation Act, 2012, or have a current NPO certificate; and

ii. have been in existence prior to 31st January 2020, and now re-opened.

Application Requirements

9)A survey document was created and all Schools, churches and religious organisations were required to complete the survey and submit electronically. The surveys named "Questionnaire for Churches and Religious Organisations - COVID-19 Economic Stimulus Assistance" and "Questionnaire for Daycares, Pre-Schools and Private Schools - COVID-19 Economic Stimulus Assistance" were available on the Government's Website from 28th July, 2020. Hard copies of the surveys were also available where required, and assistance in completion of the surveys was provided by the Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture. The original deadline for the completion of the surveys was the 3rd of August, but due to the festival holidays and a slow initial response rate, the deadline was extended until 17th August, 2020. Copies of the survey questions for the two (2) categories are attached as **Appendix B**. Based on the types of questions asked in the survey and the required supporting documentation that was requested, it was determined that a separate application process would not be necessary for the purpose of administering this stimulus programme.

10)The supporting documents and information from day cares, pre-schools, and private schools that was required included:

i. Proof of good standing with the following bodies in the form of a copy of the good standing certificate,

ii. a copy of receipt of most recent payment or authorised payment plan:

    1. NationalHealth Insurance; and

iii. **Social Security Board**

11)Letters were sent electronically to all the schools requesting them to provide copies of payment receipts or certificates of good standing for payroll taxes, social security and national health insurance. The deadline for submitting this documentation was Friday, 21st August, 2020 to the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture. Verification of a valid trade licence was completed through the Department of Trade, Investment, Promotion and Consumer Affairs. Churches and other religious organisation verification of their application for renewal of registration as a NPO, was made through the Ministry of Health and Social Development.

Monitoring and Evaluation Process

12)Given the importance of the educational and social services that these institutions provide, it was recommended by the Committee that no formal application process be applied. All these institutions should qualify for some level of grant funds, provided they had re-opened.

Grant Amounts

13)Recommendations for sharing the total grant amount between the schools and the churches in a fair and equitable manner is detailed in the grant amount spreadsheet attached in **Appendix C,D, E**.

Distribution of Grants

14)Grants will be processed and disbursed in accordance with Cabinet's decision from the approved COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations Grant Programme, via the COVID-19 Economic Stimulus Package in the amount of two million three hundred ninety-two thousand eight hundred and eighteen dollars ($2,392,818.00) from the Social Security Board.

15)Payments of grants will be made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense. Payments would be made directly to the institution by direct bank transfer or by cheque.

16)All schools and churches in the programme would be required to sign a declaration agreeing to adhere to how the grant funds can be utilised. A copy of the declaration agreement is attached as **Appendix F**. This agreement would bind the institution to use the grant funds only to support its continued operations, and to remain in compliance with the COVID-19 health and safety protocols for re-opening. If the grant funds are utilised for any other purpose, then the institution would be required to return the funds to government.

17)As part of the monitoring and evaluation of this programme, each institution would be required to provide proof of how the funding was spent by submitting copies of receipts and invoices to the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture.

Purpose

18)To seek Cabinet's approval on recommendations for distribution of grants to Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisations detailed in the grant amount spreadsheet attached as **Appendix C,D,E**.

Cross-Ministry Consultation

19)The Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture consulted in the formulation of the policy document as part of the Committee approved by Cabinet.

Permanent Secretary, Education, Culture, Youth Affairs, Fisheries and Agriculture stated:

20)The Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture welcomed the opportunity to be a part of the process in bringing much needed economic assistance to the day cares, preschools, private schools, churches and religious organisations in this Territory through the Economic Stimulus Grant intended specifically for them. The Ministry is satisfied with the process and has noted that all considerations and feedback have been incorporated into the final documents. We are aware that the organisations and schools are eagerly awaiting the receipt of the funds to help assist them in the re-opening and continuation of their respective programmes and services. It is anticipated that the funds received will go a long way towards helping them to keep their doors open and to continue to provide their respective services to the early years. I have noted that there is a monitoring component, but no timelines for compliance and reporting have been provided. While the process involved a fair and equitable distribution of funds, it is concerning that such a small percentage of churches and religious organisations responded to the survey, yet funds are being allocated for these organisations. Before funds are released, there needs to be a mechanism to determine whether some of these organisations are still in existence and whether they were actually impacted by COVID, given their purpose.

Financial Implications

21)The economic stimulus in the amount of two million three hundred ninety-two thousand eight hundred and eighteen dollars ($2,392,818.00) would provide financial assistance to Day Cares, Private Schools, Churches and Religious Organisation Programme. The policy/analysis conducted in determining the distribution is a reasonable approach that brought equity to the process. The grant, while minimal, would assist the institutions with financial assistance during the COVID-19 pandemic.

Legal Implications

22)There does not appear to me to be any adverse legal implications for the Government of the Virgin Islands, if Cabinet were minded to approve the decisions sought in the Cabinet Paper.

Budget

23)Funding for the initiative was approved via Schedule of Additional Provision No.1 of 2020 in the amount of one million dollars ($1,000,000). The initial estimate was subsequently revised to two million three hundred ninety-two thousand, eight hundred and eighteen dollars ($2,392,818.00). The additional sum of one million, three hundred ninety-two thousand, eight hundred and eighteen dollars ($1,392,818) would be approved via a Schedule of Additional Provision from the prioritisation and saving identified from other programmes of the COVID-19 Grant from Social Security Board.

24)Payment would be made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense.

Communication Strategy

25)The Government Information Services to develop communication strategy following Cabinet's approval.

Conclusion

26)Cabinet is invited to consider and concur with the decision sought.

Decision Sought

Cabinet is invited to:

a. review and approve the Cabinet paper for the implementation of the COVID-19 Economic Stimulus Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisation;

b. note that funding for the initiative was approved via Schedule of Additional Provision No.1 of 2020 in the amount of one million dollars ($1,000,000);

c. agree that additional funding in the amount of one million, three hundred and ninety-two thousand, eight hundred and eighteen dollars ($1,392,818) be approved via a Schedule of Additional Provision at the earliest sitting of the House of Assembly;

d. approve the recommendations for the award of grant funding detailed in grant amount spreadsheet attached as **Appendix C, D,E**, to be funded from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense;

e. review and approve the declaration agreement to be signed by each Daycare, Pre School, Private School, Church or Religious Organisation receiving a grant under this programme attached as **Appendix F**; and

f. decide that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the minutes.

Recipients: Attorney General, AGC; Permanent Secretary, MECAFSYA;

Hon. Andrew A. Fahie
Minister of Finance

28 September 2020

EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
30th September, 2020

COVID-19 Economic Stimulus Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisation Programme (Revised) - Memo No. 342/2020

Further to the decision made by the Cabinet on 30th September, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. reviewed and approved the implementation of the COVID-19 Economic Stimulus Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisations;

b. noted that funding for the initiative was approved via Schedule of Additional Provision No.1 of 2020 in the amount of one million dollars ($1M);

c. agreed that additional funding in the amount of one million, three hundred and ninety-two thousand, eight hundred and eighteen dollars ($1,392,818) be approved via a Schedule of Additional Provision at the earliest Sitting of the House of Assembly;

d. approved the recommendations for the award of grant funding detailed in grant amount spreadsheet attached as **Appendices C, D, E**, to be funded from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense;

e. reviewed and approved the declaration agreement to be signed by each Daycare, Pre-School, Private School, Church or Religious Organisations receiving a grant under this programme attached as **Appendix F**; and

f. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.
Ms. Sandra Ward
30th September, 2020

Appendix C

CHURCHES

No.	Name of Church	Name of Applicant	Grant Amount
1	[redacted]		$ 20,000
2			$ 20,000
3			$ 20,000
4			$ 15,000
5			$ 20,000
6			$ 15,000
7			$ 15,000
8			$ 15,000
9			$ 15,000
10			$ 20,000
11			$ 20,000
12			$ 15,000
13			$ 15,000
14			$ 15,000
15			$ 20,000
16			$ 20,000
17		[redacted]	$ 20,000
18			$ 15,000
19			$ 15,000
20			$ 20,000
21			$ 15,000
22			$ 20,000
23			$ 20,000
24			$ 20,000
25			$ 20,000
26			$ 20,000
27			$ 20,000
28			$ 15,000
29			$ 15,000
30			$ 15,000
31			$ 20,000

32	[redacted]		$ 15,000
33			$ 20,000
34			$ 20,000
35			$ 20,000
36			$ 15,000
37			$ 15,000
38			$ 15,000
39			$ 20,000
40			$ 15,000
41			$ 15,000
42			$ 15,000
43			$ 15,000
44			$ 15,000
45			$ 15,000
46			$ 20,000
47			$ 20,000
48			$ 15,000
49			$ 15,000
50			$ 20,000
51			$ 20,000
52			$ 20,000
53			$ 20,000
54			$ 20,000
55			$ 20,000
56			$ 20,000
57			$ 20,000
58			$ 20,000
59			$ 15,000
60			$ 20,000
61			$ 15,000
62			$ 15,000
63			$ 15,000
64			$ 20,000
65		[redacted]	$ 20,000
66			$ 20,000

67	[redacted]		[redacted]	$ 20,000
68				$ 20,000
69				$ 20,000
70				$ 20,000
71				$ 20,000
72				$ 15,000
73				$ 20,000
74				$ 20,000
75				$ 15,000
76				$ 20,000
77				$ 20,000
78				$ 15,000
79				$ 20,000
				1,415,000

Appendix D

RELIGIOUS CHURCH GROUPS

No.	Name of Church	Name of Applicant	Grant Amount
1	[redacted]		$ 5,000
2			$ 5,000
3			$ -
4			$ 5,000
5			$ 5,000
6			$ 5,000
7			$ 5,000
8			$ 5,000
9			$ 5,000
10			$ 5,000
11			$ 5,000
12			$ 5,000
13			$ 5,000
14			$ 5,000
15			$ 5,000
			70,000

Appendix E

SCHOOLS & DAYCARE

No.	Name of School	Name of Applicant	Grant Amount
1	[redacted]		28,808
2		[redacted]	29,182
3			29,182
4			29,557
5			35,179
6			20,000
7			37,615
8			37,615
9			20,051
10			34,500
11			34,500
12			22,862
13			23,237
14			23,612
15			34,500
16			25,673
17			15,000
18			26,423
19			26,423
20			15,000
21			20,000
22			28,859
23			29,609
24			32,420
25			20,000
26			34,481
27			34,481
28			34,481
29			34,856
30			34,856
31			34,856
32			20,000
			907,818

Note:

[redacted] are the schools that didn't complete the survey, so there was no information. Estimates were

[redacted] are the same school. Combined score used.

REF.: FIN/G2/110

FROM: Financial Secretary

TO: Permanent Secretary, Premier's Office

DATE: 7th October, 2020

COVID-19 Economic Stimulus Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisation Programme (Revised)
EXP/342/2020 (/expedited_extracts/443)

The below Cabinet decision Memo No. 342/2020 is for your attention and further handling.

Mr. Glenroy A. Forbes
for: Mr. Jeremiah Frett
Acting Financial
Secretary
7th October, 2020

EXPEDITED EXTRACT

Ref: CO/C/070/2

FROM: Cabinet Secretary

TO: Minister of Finance

CC: Financial Secretary

DATE: 30th September, 2020

COVID-19 Economic Stimulus Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisation Programme (Revised) Memo No. 342/2020 (/memorandums/781)

Further to the decision made by the Cabinet on 30th September, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. reviewed and approved the implementation of the COVID-19 Economic Stimulus Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisations;

b. noted that funding for the initiative was approved via Schedule of Additional Provision No.1 of 2020 in the amount of one million dollars ($1M);

c. agreed that additional funding in the amount of one million, three hundred and ninety-two thousand, eight hundred and eighteen dollars ($1,392,818) be approved via a Schedule of Additional Provision at the earliest Sitting of the House of Assembly;

d. approved the recommendations for the award of grant funding detailed in grant amount spreadsheet attached as **Appendices C, D, E,** to be funded from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense;

e. reviewed and approved the declaration agreement to be signed by each Daycare, Pre-School, Private School, Church or Religious Organisations receiving a grant under this programme attached as **Appendix F**; and

f. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.

Ms. Sandra Ward
30th September, 2020

Schools and Churches Programme - Compilation of Information for Cheques

Michelle Richmond - Phillips <[redacted]>
Tue 10/13/2020 10:04 PM
To: Carolyn Oneal-Morton <[redacted]>
Cc: Elvia Smith <[redacted]>; Arliene T. Penn <[redacted]>; Clayton O'Neal <[redacted]>; Genevieve McMaster <[redacted]>

1 attachments (25 KB)
Cheque and Bank Info_Grant Awardees.xlsx;

Dear PS:

Please see attached a list sent by Genevieve for the proper names for the preparation of checks. This is not a full list, and only contains information to those institutions that were possible to contact.

Please contact Genevieve for any further information or clarity, if necessary.

Michele Richmond-Phillips
Policy Analyst
Ministry of Finance
Macro-Fiscal Unit
Government of the Virgin Islands
Tel. #: 1-284-468-[redacted]

No.	Name of Church	Name of Applicant	Total preparation cost	Cost per member	Payment of Annual Fee	Weighted Score	Grant Amount
1	[redacted]				No	0.25	$ 1,287
2					No	0.25	$ 1,287
3					No	0.25	$ 1,287
4					No	0.25	$ 1,287
5					No	0.25	$ 1,287
6					No	0.25	$ 1,287
7					No	0.25	$ 1,287
8					No	0.25	$ 1,287
9					No	0.25	$ 1,287
10					No	0.25	$ 1,287
11					No	0.25	$ 1,287
12					No	0.25	$ 1,287
13					No	0.25	$ 1,287
14					No	0.25	$ 1,287
15					No	0.25	$ 1,287
16					No	0.25	$ 1,287
17					No	0.25	$ 1,287
18					No	0.25	$ 1,287
19					No	0.25	$ 1,287
20					No	0.25	$ 1,287
21					No	0.25	$ 1,287
22					No	0.25	$ 1,287
23					No	0.25	$ 1,287
24		[redacted]	-	0.00	No	0.30	$ 1,544
25			165	7.86	No	0.30	$ 1,544
26			1,118	21.50	No	0.30	$ 1,544
27			1,200	12.00	No	0.30	$ 1,544
28					Yes	0.40	$ 2,058
29					Yes	0.40	$ 2,058
30					Yes	0.40	$ 2,058
31					Yes	0.40	$ 2,058
32					Yes	0.40	$ 2,058
33					Yes	0.40	$ 2,058
34					Yes	0.40	$ 2,058
35					Yes	0.40	$ 2,058
36					Yes	0.40	$ 2,058
37					Yes	0.40	$ 2,058
38					Yes	0.40	$ 2,058
39					Yes	0.40	$ 2,058
40					Yes	0.40	$ 2,058
41					Yes	0.40	$ 2,058
42					Yes	0.40	$ 2,058
43					Yes	0.40	$ 2,058
44					Yes	0.40	$ 2,058
45					Yes	0.40	$ 2,058
46					Yes	0.40	$ 2,058

[redacted]

			Yes	0.40	$ 2,058
			Yes	0.40	$ 2,058
			Yes	0.40	$ 2,058

94	[redacted]	[redacted]	123,392	505.70	Yes	1.60 $	8,234
			261,915				**211,246**

No.	Name of School	Name of Applicant	Total preparation cost	Cost per student	Compliance (max=2)	Weighted Score	Grant Amount
1	[redacted]	[redacted]	9,182	49	0.5	0.47	8,808
2			1,430	26	0.5	0.49	9,182
3			20,051	49	0.5	0.49	9,182
4			5,500	40	0.5	0.51	9,557
5			2,900	81	0.5	0.81	15,179
6			700	41	2.0	0.92	17,241
7			5,280	68	1.0	0.94	17,615
8	ool		1,800	20	2.0	0.94	17,615
9			545	55	1.5	1.07	20,051
10			5,000	81	1.5	1.09	20,426
11			12,000	126	0.5	1.09	20,426
12			1,260	63	2.0	1.22	22,862
13			1,800	72	2.0	1.24	23,237
14			2,700	77	2.0	1.26	23,612
15			7,904	67	2.0	1.26	23,612
16			5,000	208	0.5	1.37	25,673
17			2,702	450	0.5	1.39	26,048
18			23,120	308	0.5	1.41	26,423
19			35,000	438	0.5	1.41	26,423
20			1,210	173	2.0	1.52	28,484
21			4,500	180	2.0	1.54	28,859
22			25,000	410	1.0	1.54	28,859
23			12,200	133	2.0	1.58	29,609
24			120,000	1,111	1.5	1.73	32,420
25			7,800	557	2.0	1.84	34,481
26			8,522	219	2.0	1.84	34,481
27			73,819	262	2.0	1.84	34,481
28			49,300	365	2.0	1.84	34,481
29			69,237	214	2.0	1.86	34,856
30			465,000	1,729	2.0	1.86	34,856
31			19,500	244	2.0	1.86	34,856
32			7,215	722	2.0	1.86	34,856
			1,007,179				**788,754**

Note:

[redacted] are the schools that didn't complete the survey, so there was no information. Estimates were used for cost per student.

[redacted] are the same school. Combined score used.

GOVERNMENT OF THE VIRGIN ISLANDS

DECLARATION

FOR THE COVID-19 ECONOMIC STIMULUS FOR DAY CARES, PRE-SCHOOLS, AND PRIVATE SCHOOLS

I .....
(Please Print Name)

owner of .....
(Please Print School Name)

on this ..... day of ....., 2020.

Declare as follows:

1. I will only utilise the grant support for the continued operation of my school, and to remain in compliance with the COVID-19 health and safely protocols for re-opening, including through the payment of utilities, rent, mortgage, wages and salaries, purchase of supplies, small construction works, and payment of outstanding statutory fee obligations;
2. I will assist Government in evaluating the programme by completing as required surveys, and participating in focus group discussions and interviews carried out periodically during the implementation and programme assessment period;
3. I will commit to settle outstanding payments with the Inland Revenue Department, the Social Security Board, and the National Health Insurance, as requested;
4. I will attend training programmes organised by Government aimed at equipping MSMEs with expertise in financial management, business plan development, and other entrepreneurial skills;
5. I will provide as feasible, data to Government so that the programme can be adequately monitored and evaluated, upon required;
6. I understand that information collected for this programme could be used for the development of future assistance programmes;

Signed this _____day of__ _____, 2020.

_____ _____

Owner of School (Witness)

GOVERNMENT OF THE VIRGIN ISLANDS

DECLARATION
FOR THE COVID-19 ECONOMIC STIMULUS CHURCHES AND RELIGIOUS ORGANISATIONS

I .....
(Please Print Name)

owner of .....
(Please Print Church Name)

on this ..... day of ....., 2020.

Declare as follows:

1. I will only utilise the grant support for the continued operation of my church, and to remain in compliance with the COVID-19 health and safely protocols for re-opening, including through the payment of utilities, rent, mortgage, purchase of supplies, small construction works, and payment of outstanding renewal of registration as a NPO;
2. I will assist Government in evaluating the programme by completing as required surveys, and participating in focus group discussions and interviews carried out periodically during the implementation and programme assessment period;
3. I will commit to settle outstanding payments with the Ministry of Health and Social Development, as requested;
4. I will provide as feasible, data to Government so that the programme can be adequately monitored and evaluated, upon required;
5. I understand that information collected for this programme could be used for the development of future assistance programmes;

Signed this _____day of__ _____, 2020.

_____ _____
Pastor/Leader of Organisation (Witness)

COVID-19 Economic Stimulus Pre-Schools, Day Cares, Priviate Schools, Churches and Religous Organisation Programme

- Draft

08 September 2020
PO
File: FIN

- Mrs. Elvia Smith-Maduro

Purpose

1)To inform Cabinet of the Committee's work towards the development of the policy document for the implementation of the COVID-19 Economic Stimulus package for Daycares, Pre-Schools, Private Schools, Churches and Religious Organisations; to assist them to re-open and operate safely in the COVID-19 era.

2)Daycares, Pre-schools, Private Schools, Churches and Religious Organisations play an absolutely vital role in our community, and their closures due to the COVID-19 pandemic crisis, is a major set-back to the social well being of the society. It is hoped that this stimulus will help these institutions in the Virgin Islands that have been adversely affected by the COVID-19 pandemic crisis to prepare themselves for re-opening.

Background

3)The COVID-19 virus has negatively impacted the social services sector of the Virgin Islands with the imposition of restrictions on mass gatherings of every kind including at schools, churches and other social events. This disruption in social activity in particular, had devastating consequences for small businesses like Private Schools, Preschools and Daycare Centres. Church gatherings and other social activities that churches administer such as weddings, funerals and after school programmes. These types of social events have all been suspended or extremely restricted in numbers, due to social distancing measures that are strictly enforced.

4)In response the Government of the Virgin Islands as part of its Economic Response Plan (Phase II) released on 28 May 2020, approved the COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations via Extract Memo No. 236/2020 on 9th July 2020 in the amount of one million dollars ($1,000,000.00). A copy of the Cabinet Extract is attached as **Appendix A**.

5)Cabinet also approved the establishment of a Committee to develop the policy document for the implementation of the programme, review the list of beneficiaries for the grant and the grant allocation amount before submission to the Cabinet for final review and approval. A copy of the policy document developed by the Committee is attached as **Appendix B**

6)The Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture, with the assistance of the Ministry of Finance will review the supporting documents for compliance with statutory obligations, and check the validity of the compliance information stated by the respondents.

7)The Ministry of Finance will also be responsible for monitoring and evaluation of the implementation of the programme, reporting to the Committee as per an agreed schedule. The programme will be monitored and evaluated by collecting information through participant surveys, focus group discussions and interviews carried out periodically during and after the implementation period

8)**Application Process**

9)The following eligibility requirements have been proposed for qualification of schools, and churches and religious organisations for the COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations.

10)Day cares, pre-schools, and private schools must:

1. have a valid trade license with all payments up to date. Businesses that are currently not up to date are required to do so by the end of the application deadline; and

2. have commenced operations prior to January 31, 2020, and now re-opened.

11)Churches and religious organisations must:

1. have applied for renewal of registration as a non-profit organization (NPO) in accordance with the provisions of the Non Profit Organisation Act, 2012, or have a current NPO certificate.

2. have been in existence prior to January 31, 2020, and now re-opened

12)A copy of the Administrative Guidelines Document is attached as **Appendix C** for members perusal.

13)**Application Requirements**

14)A survey document was created and each Schools, churches and religious organisations were required to complete the survey, and submit electronically. The

surveys named “Questionnaire for Churches and Religious Organisations - COVID-19 Economic Stimulus Assistance” and “Questionnaire for Daycares, Pre-Schools and Private Schools - COVID-19 Economic Stimulus Assistance” were availableon the Government’s Website from the 28th July, 2020. Hard copies of the surveys were also available where required, and assistance in completion of the surveys was provided by the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture. The original deadline for the completion of the surveys was the 3rd of August, but due to the festival holidays and a slow initial response rate, the deadline was extended until the 17th August, 2020. Copies of the survey questions for the two categories are attached as **Appendix D**. Based on the types of questions asked in the survey and the required supporting documentation that was requested, it was determined that a separate application process would not be necessary for this for the purpose of administering this stimulus programme.

15)The supporting documents and information from day cares, pre-schools, and private schools that was required included;

1. Proof of good standing with the following bodies in the form of a copy of the good standing certificate, a copy of receipt of most recent payment or authorized payment plan:

    1. National Health Insurance,

    2. Social Security Board, and

    3. Inland Revenue Department.

16)Letters were sent electronically to all the schools requesting them to provide copies of payment receipts or certificates of good standing for payroll taxes, social security and national health insurance. The deadline for submitting this documengation was Friday, 21st August, 2020 to the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture. Verification of a valid trade licence was completed through the Department of Trade Investment Promotion & Consumer Affairs. Churches and other religious organisation verification of their application for renewal of registration as a NPO was made through the Ministry of Health and Social Development. A copy of the summary results from the surveys is attached in **Appendix E**.

17)**Monitoring and Evaluation Process**

18)Given the importance of the educational and social services that these institutions provide, it was recommended by the Committee that no formal application process be applied All of these institutions should qualify for some level of grant funds, provided they had re-opened.

19)16) A weighted scoring system would be used for scoring each institution. Further details on this scoring system can be found in the Administrative Guidelines document attached as **Appendix C**.

20)The thirty-one schools that completed the survey provided the required information needed to employ the methodology used to allocate grant funds. The preparation cost for the two schools that did not complete the survey was estimated at the highest limit of the lowest level. Similarly, a score of 50% of the lowest score (0.5) for preparation cost for the churches was assigned to twenty-three (23) of the seventy-five (75) churches and religious organisations that didn't complete the survey.

21)The most challenging component of the scoring was the compliance score. Many institutions were not in compliance for various reasons, and some had existing payment plans. However, the weighted scoring system used ensured that despite their non-compliance they still would receive a grant amount, but the weighted score would affect the quantity of the amount.

22)**Grant Amounts**

23)Recommendations for sharing the total grant amount between the schools and the churches in a fair and equitable manner is detailed in the grant amount spreadsheet attached in **Appendix F**.

24)The total preparation cost for the nineteen (19) churches and religious organisations that completed the survey was $261,915. Total grant allocation for this group of ninety-four (94) institutions was $$211,246.

Churches	
Grant Amounts	**Number Receiving**
$1,287	23
$1,544	4
$2,058	52
$3,088	1
$3,602	8
$4.63	1
$5,146	1
$6,175	3
$8,234	1

25)The total preparation cost for the thirty-one (31) of schools that completed the survey was $977,945. Total grant allocation for this group of thirty-three (33) was $788,754.

Schools			
Grant Amounts	Number Receiving	Grant Amounts	Number Receiving
$8,808	1	$23,612	2
$9,182	2	$25,673	1
$9,557	1	$26,048	1
$15,179	1	$26,423	2
$17,241	1	$28,484	1
$17,615	2	$28,859	2
$20,051	1	$29,609	1
$20,426	2	$32,420	1
$22,862	1	$34,481	4
$23,237	1	$34,856	4

26) **Distribution of Grants**

27)

28)Grants will be processed and disbursed in accordance with Cabinet's decision from the approved COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations Grant Programme via the COVID-19 Economic Stimulus Package in the amount of one million dollars ($1,000,000.00) from the Social Security Board.

29)Payments of grants will be made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense. Payments would be made directly to the institution by direct bank transfer or by cheque.

30)All schools and churches in the programme would be required to sign a declaration agreeing to adhere to how the grant funds can be utilised. A copy of the declaration agreement is attached as **Appendix G**. This agreement would bind the institution to use the grant funds only to support its continued operations, and to remain in compliance with the COVID-19 health and safely protocols for re-opening. If the grant funds are utilized for any other purpose, then the institution would be required to return to funds to government.

31)As part of the monitoring and evaluation of this programme, each institution would be required to provide proof of how the funding was spent by submitting copies of receipts and invoices to the Ministry of Education Youth Affairs and Sports, Fisheries and Agriculture.

Conclusion

32)The length and depth of the impact of COVID-19 on small vulnerable states like the BVI is still unknown. As the Territory braces for further declines in economic activity and growth, sustained Government intervention may be required over the medium-term. Other phases of economic support and economic stimulation may still need to be targeted to the education and social sectors. Day cares, pre-schools and private schools are vital to the productivity of public and private sectors in the Territory and will continue to be affected as the crisis is prolonged, combined with added threats from potential hurricanes, earthquakes and other catastrophic events. On the other hand, the churches and religious organisations are critical to the spiritual, emotional and mental health of people of the Territory. Consequently, following the implementation of this programme and assessment of its level of coverage, the Government may definitely need to consider in its Phase 3 response additional support to the education and social sectors. This could take the form of additional grants, soft loans, and/or technical advice.

Information to note

33)Cabinet is invited to note;

34)1. the policy document for the implementation of the COVID-19 Economic Stimulus Pre-Schools, Day Cares, Priviate Schools, Churches and Religous Organisation Programme attached at **Appendix B**;

35)2. the Administrative Guidline doucment attached as **Appendix C**;

36)3. the recommendations for the award of grant funding detailed in grant amount spreadsheet attached as **Appendix F**;and

37)4. the declaration agreement to be signed by each Daycare, Pre-School, Private School, Church or Religious Organisation receiving a grant under this programme attached as **Appendix G.**

13)Recommendations for sharing the total grant amount between the schools and the churches in a fair and equitable manner is detailed in the grant amount spreadsheet attached in **Appendix C,D, E**.

Distribution of Grants

14)Grants will be processed and disbursed in accordance with Cabinet's decision from the approved COVID-19 – Economic Stimulus – Day cares, Pre-schools, Private Schools, Churches and Religious Organisations Grant Programme, via the COVID-19 Economic Stimulus Package in the amount of two million three hundred ninety-two thousand eight hundred and eighteen dollars ($2,392,818.00) from the Social Security Board.

15)Payments of grants will be made from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense. Payments would be made directly to the institution by direct bank transfer or by cheque.

16)All schools and churches in the programme would be required to sign a declaration agreeing to adhere to how the grant funds can be utilised. A copy of the declaration agreement is attached as **Appendix F**. This agreement would bind the institution to use the grant funds only to support its continued operations, and to remain in compliance with the COVID-19 health and safety protocols for re-opening. If the grant funds are utilised for any other purpose, then the institution would be required to return the funds to government.

17)As part of the monitoring and evaluation of this programme, each institution would be required to provide proof of how the funding was spent by submitting copies of receipts and invoices to the Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture.

Purpose

18)To seek Cabinet's approval on recommendations for distribution of grants to Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisations detailed in the grant amount spreadsheet attached as **Appendix C,D,E**.

Cross-Ministry Consultation

19)The Ministry of Education and Culture, Youth Affairs, Fisheries and Agriculture consulted in the formulation of the policy document as part of the Committee approved by Cabinet.

Permanent Secretary, Education, Culture, Youth Affairs, Fisheries and Agriculture stated:

Appendix C

CHURCHES

No.	Name of Church	Name of Applicant	Grant Amount
1	[redacted]		$ 20,000
2			$ 20,000
3			$ 20,000
4			$ 15,000
5			$ 20,000
6			$ 15,000
7			$ 15,000
8			$ 15,000
9			$ 15,000
10			$ 20,000
11			$ 20,000
12			$ 15,000
13			$ 15,000
14			$ 15,000
15			$ 20,000
16			$ 20,000
17		[redacted]	$ 20,000
18			$ 15,000
19			$ 15,000
20			$ 20,000
21			$ 15,000
22			$ 20,000
23			$ 20,000
24			$ 20,000
25			$ 20,000
26			$ 20,000
27			$ 20,000
28			$ 15,000
29			$ 15,000
30			$ 15,000
31			$ 20,000

32	[redacted]		$ 15,000
33			$ 20,000
34			$ 20,000
35			$ 20,000
36			$ 15,000
37			$ 15,000
38			$ 15,000
39			$ 20,000
40			$ 15,000
41			$ 15,000
42			$ 15,000
43			$ 15,000
44			$ 15,000
45			$ 15,000
46			$ 20,000
47			$ 20,000
48			$ 15,000
49			$ 15,000
50			$ 20,000
51			$ 20,000
52			$ 20,000
53			$ 20,000
54			$ 20,000
55			$ 20,000
56			$ 20,000
57			$ 20,000
58			$ 20,000
59			$ 15,000
60			$ 20,000
61			$ 15,000
62			$ 15,000
63			$ 15,000
64			$ 20,000
65		[redacted]	$ 20,000
66			$ 20,000

67	[redacted]	[redacted]	$ 20,000
68			$ 20,000
69			$ 20,000
70			$ 20,000
71			$ 20,000
72			$ 15,000
73			$ 20,000
74			$ 20,000
75			$ 15,000
76			$ 20,000
77			$ 20,000
78			$ 15,000
79			$ 20,000
			1,415,000

19)16) A weighted scoring system would be used for scoring each institution. Further details on this scoring system can be found in the Administrative Guidelines document attached as **Appendix C**.

20)The thirty-one schools that completed the survey provided the required information needed to employ the methodology used to allocate grant funds. The preparation cost for the two schools that did not complete the survey was estimated at the highest limit of the lowest level. Similarly, a score of 50% of the lowest score (0.5) for preparation cost for the churches was assigned to twenty-three (23) of the seventy-five (75) churches and religious organisations that didn't complete the survey.

21)The most challenging component of the scoring was the compliance score. Many institutions were not in compliance for various reasons, and some had existing payment plans. However, the weighted scoring system used ensured that despite their non-compliance they still would receive a grant amount, but the weighted score would affect the quantity of the amount.

22)**Grant Amounts**

23)Recommendations for sharing the total grant amount between the schools and the churches in a fair and equitable manner is detailed in the grant amount spreadsheet attached in **Appendix F**.

24)The total preparation cost for the nineteen (19) churches and religious organisations that completed the survey was $261,915. Total grant allocation for this group of ninety-four (94) institutions was $$211,246.

Churches	
Grant Amounts	**Number Receiving**
$1,287	23
$1,544	4
$2,058	52
$3,088	1
$3,602	8
$4.63	1
$5,146	1
$6,175	3
$8,234	1

25)The total preparation cost for the thirty-one (31) of schools that completed the survey was $977,945. Total grant allocation for this group of thirty-three (33) was $788,754.

No.	Name of Church	Name of Applicant	Total preparation cost	Cost per member	Payment of Annual Fee	Weighted Score	Grant Amount
1	[redacted]				No	0.25	$ 1,287
2					No	0.25	$ 1,287
3					No	0.25	$ 1,287
4					No	0.25	$ 1,287
5					No	0.25	$ 1,287
6					No	0.25	$ 1,287
7					No	0.25	$ 1,287
8					No	0.25	$ 1,287
9					No	0.25	$ 1,287
10					No	0.25	$ 1,287
11					No	0.25	$ 1,287
12					No	0.25	$ 1,287
13					No	0.25	$ 1,287
14					No	0.25	$ 1,287
15					No	0.25	$ 1,287
16					No	0.25	$ 1,287
17					No	0.25	$ 1,287
18					No	0.25	$ 1,287
19					No	0.25	$ 1,287
20					No	0.25	$ 1,287
21					No	0.25	$ 1,287
22					No	0.25	$ 1,287
23					No	0.25	$ 1,287
24		[redacted]	-	0.00	No	0.30	$ 1,544
25			165	7.86	No	0.30	$ 1,544
26			1,118	21.50	No	0.30	$ 1,544
27			1,200	12.00	No	0.30	$ 1,544
28					Yes	0.40	$ 2,058
29					Yes	0.40	$ 2,058
30					Yes	0.40	$ 2,058
31					Yes	0.40	$ 2,058
32					Yes	0.40	$ 2,058
33					Yes	0.40	$ 2,058
34					Yes	0.40	$ 2,058
35					Yes	0.40	$ 2,058
36					Yes	0.40	$ 2,058
37					Yes	0.40	$ 2,058
38					Yes	0.40	$ 2,058
39					Yes	0.40	$ 2,058
40					Yes	0.40	$ 2,058
41					Yes	0.40	$ 2,058
42					Yes	0.40	$ 2,058
43					Yes	0.40	$ 2,058
44					Yes	0.40	$ 2,058
45					Yes	0.40	$ 2,058
46					Yes	0.40	$ 2,058
47					Yes	0.40	$ 2,058
48					Yes	0.40	$ 2,058
49					Yes	0.40	$ 2,058
50					Yes	0.40	$ 2,058
51					Yes	0.40	$ 2,058
52					Yes	0.40	$ 2,058
53					Yes	0.40	$ 2,058
54					Yes	0.40	$ 2,058
55					Yes	0.40	$ 2,058
56					Yes	0.40	$ 2,058

57	[redacted]			Yes	0.40	$	2,058
58				Yes	0.40	$	2,058
59				Yes	0.40	$	2,058
60				Yes	0.40	$	2,058
61				Yes	0.40	$	2,058
62				Yes	0.40	$	2,058
63				Yes	0.40	$	2,058
64				Yes	0.40	$	2,058
65				Yes	0.40	$	2,058
66				Yes	0.40	$	2,058
67				Yes	0.40	$	2,058
68				Yes	0.40	$	2,058
69				Yes	0.40	$	2,058
70				Yes	0.40	$	2,058
71				Yes	0.40	$	2,058
72				Yes	0.40	$	2,058
73				Yes	0.40	$	2,058
74				Yes	0.40	$	2,058
75				Yes	0.40	$	2,058
76				Yes	0.40	$	2,058
77				Yes	0.40	$	2,058
78				Yes	0.40	$	2,058
79				Yes	0.40	$	2,058
80		[redacted]	6,700	73.63 No	0.60	$	3,088
81			300	4.00 Yes	0.70	$	3,602
82			200	4.76 Yes	0.70	$	3,602
83			-	0.00 Yes	0.70	$	3,602
84			1,230	18.92 Yes	0.70	$	3,602
85			52,000	41.70 Yes	0.70	$	3,602
86			1,000	2.22 Yes	0.70	$	3,602
87			320	9.14 Yes	0.70	$	3,602
88			200	1.60 Yes	0.70	$	3,602
89			17,500	145.83 No	0.90	$	4,631
90			4,640	85.93 Yes	1.00	$	5,146
91			11,900	205.17 No	1.20	$	6,175
92			20,050	871.74 No	1.20	$	6,175
93			20,000	400.00 No	1.20	$	6,175
94			123,392	505.70 Yes	1.60	$	8,234
			261,915				**211,246**

EXPEDITED EXTRACT

Ref:
CO/C/070/2

FROM:
Cabinet Secretary

TO:
Minister of Finance

CC:
Financial Secretary

DATE:
30th September, 2020

COVID-19 Economic Stimulus Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisation Programme (Revised) - Memo No. 342/2020

Further to the decision made by the Cabinet on 30th September, 2020, below is the decision taken by the Cabinet in respect of the captioned matter:

Cabinet:

a. reviewed and approved the implementation of the COVID-19 Economic Stimulus Pre-Schools, Day Cares, Private Schools, Churches and Religious Organisations;

b. noted that funding for the initiative was approved via Schedule of Additional Provision No.1 of 2020 in the amount of one million dollars ($1M);

c. agreed that additional funding in the amount of one million, three hundred and ninety-two thousand, eight hundred and eighteen dollars ($1,392,818) be approved via a Schedule of Additional Provision at the earliest Sitting of the House of Assembly;

d. approved the recommendations for the award of grant funding detailed in grant amount spreadsheet attached as **Appendices C, D, E**, to be funded from Premier's Office Head 22204090 Subhead 528662 Corona Virus Prevention Expense;

e. reviewed and approved the declaration agreement to be signed by each Daycare, Pre-School, Private School, Church or Religious Organisations receiving a grant under this programme attached as **Appendix F**; and

f. decided that an expedited extract be issued to allow for the decision of the Cabinet to be acted upon before the confirmation of the Minutes.

Please be guided accordingly.
Ms. Sandra Ward
30th September, 2020

Monitoring and Evaluation Policy of the Economic Stimulus Programmes

Signed · 05 August 2021 · PO · File: PO/H1/013 · Mrs. Carolyn O'Neal-Morton · Memo No. 325/2021 · Extract No. REx/325/2021 (/decisions/793)

Background Information

1) Cabinet has been previously asked to note the Information Paper outlining the Monitoring and Evaluation Policy of the Economic Stimulus Programmes that are being carried out by the Premier's Office. The Information Paper is attached hereto as **Appendix A.**

2) The Government of the Virgin Islands (GoVI) secured a special grant from the BVI Social Security Board (BVISSB) in the sum of $40M to address specified initiatives including the following COVID-19 related economic stimulus measures. The stimulus packages that were assigned to the Premier's Office are as follows:

a. COVID-19 Economic Stimulus - Micro Small and Medium Enterprise (MSME) Businesses Grant - $6.5 million,

b. Economic Stimulus for Farmers and Fishermen - $2 million,

c. COVID -19 - Economic Stimulus - Daycares, Pre-schools, Private Schools, Churches and Religious Organisation - $1 million, and

d. COVID -19 - Transportation Stimulus Package - $1 million.

3) These allocations are supported by Cabinet Decisions - Memo Nos. 211/2020; 267/2020; 343/2020; 236/2020; 342/2020; 179/2020 and 175/2020.

4) The allocations were adjusted based on the volume of requests received.

5) It is important to note that when this stimulus was administered that the economy was projected to be on the verge of collapse, given the economic hardship being experienced by all entities due to the 24 hour lockdown and other measures as a result of COVID-19.

6) Upon administering the programmes, it was realised that a broad based strategy rather than a means assessment for each applicant was implemented for the Economic Stimulus Programmes that were based on the merit and volume of the respective request.

7) Although the BVISSB and the GoVI announced the grant in May, 2020, and Cabinet approved the various stimulus progammes in May/June 2020, disbursement of the grants did not begin until September 2020 due to bureaucratic issues and the availability of the funds. Some disbursements continued into 2021.

8) Considering that economic activity in the Territory was still severely constrained and that expenditure in targeted economic areas would require time to mature it was felt to be prudent to allow some time for the funds to work before moving to the monitoring and evaluation stage of the stimulus programmes. An additional consideration here was that having persons going from property to property to conduct interviews and site inspections at the time would have increased the risk of spreading COVID-19. Vaccines were not available in the Virgin Islands until mid-February 2021 – and a large number of persons in the Territory still remain unvaccinated to date.

9) Notwithstanding this, it is expedient to develop and implement a policy and action plan for monitoring and evaluation of the economic stimulus programmes to ensure accountability for the disbursed funds and to measure the effectiveness of these interventions in shoring up and growing the Virgin Islands economy, and in having a positive social impact on the Territory during and after the current pandemic crisis.

10) Note in Appendix B, the template letter issued to each recipient of each of the Economic Stimulus Programme administered by the Premier's Office which ensured that all recipients were made aware that they would have to account for the assistance received from the Government of the Virgin Islands.

11) Action Plan

12) To execute monitoring and evaluation of the various economic stimulus programmes, the following three-phase plan will be implemented.

13) Phase 1 – Reporting and Data Collection

14) The first phase of the monitoring and evaluation process would consist of the following steps:

a. The Permanent Secretary, Premier's Office will write to all grant recipients reminding them of their obligations to provide an account for the use of funds and to participate in surveys and other exercises for monitoring and evaluation. Sample letters are included in Appendix C.

b. A feedback form (customized for each grant type) will be sent to each grant recipient. They will be asked to complete and return the form by 30 July, 2021. The form will also be made available in electronic format and via the internet. Sample feedback forms for the various categories of grant recipients are included in Appendix D.

15) Respondents would be required to provide details, with supporting documents, receipts and photographs where applicable, of payments such as Statutory obligations, utilities, equipment, rent, mortgage, creditors, suppliers and staff. They would also be required to provide a statement of how the stimulus grant assisted their business or organisation in coping with the COVID-19 economic challenges. Farmers and fisher folk would be required details of their operations such as acreage farmed and crops, or catch.

16) Various Government Departments will assist in following up with recipients to provide assistance to persons who may need help completing the forms and to ensure that the recipients return the forms to the Premier's Office, according to the table below.

Category of Grant Recipient	Government Department to follow up
MSME	Premier's Office, Department for Trade and Investment Promotions
Farmers	Premier's Office, Department for Agriculture and Fisheries
Fisher Folk	Premier's Office, Department for Agriculture and Fisheries
Daycares, Pre-Schools and Private Schools	Premier's Office, Ministry of Education
Churches	Premier's Office, Ministry of Health and Social Development
Religious Organizations and Church Groups	Premier's Office, Ministry of Health and Social Development

1. The collected data will be collated and analysed by the Premier's Office to generate appropriate reports.

17) Phase 2 – Verification and Site Visits

a. The second phase of the monitoring and evaluation plan will involve the conduct of random site visits by the Government Departments stipulated in the table below to ascertain the veracity of information submitted in the Feedback Forms.

Category of Grant Recipient	Government Department to follow up
MSME	Department for Trade and Investment Promotions

Farmers	Department for Agriculture and Fisheries
Fisher Folk	Department for Agriculture and Fisheries
Daycares, Pre-Schools and Private Schools	Ministry of Education
Churches	Ministry of Health and Social Development
Religious Organizations and Church Groups	Ministry of Health and Social Development

1. The investigating agency would report to the Premier's Office on the findings of site visits.

18) Phase 3 – Continuous Tracking

19) Under Phase 3 of the monitoring and evaluation process, the assigned Departments will conduct follow-up monitoring with the respective recipients and other participants in the various sectors to gather information on the growth and development of the individual businesses and organizations and the performance of the respective sectors as a whole. Follow-ups would be conducted every three months and a report provided to the Premier's Office.

20) Phase 3 – Implementation Timetable

21) A timetable for implementation of the COVID-19 Economic Stimulus Monitoring and Evaluation plan is presented in the Gantt Chart in **Appendix E.**

22) The objective of this policy is to direct and ensure the collection of data from recipients of the various COVID-19 Economic Stimulus Programmes implemented by the Premier's Office for monitoring the use of grant funds and evaluate the effectiveness of the programmes in meeting their objectives. This is necessary so that the Government of the Virgin Islands and the taxpayers of the Territory can be assured that the grants hit their target and that the Government is being prudent with the public's purse.

23) This policy applies to all recipients of grants under the following COVID-19 Economic Stimulus Programmes:

a. COVID-19 Economic Stimulus - Micro Small and Medium Enterprise (MSME) Businesses Grant,

b. Economic Stimulus for Farmers and Fishermen, and

c. COVID -19 - Economic Stimulus - Daycares, Pre-schools, Private Schools, Churches and Religious Organisation.

d. COVID-19 Transportation Stimulus

24) The following Government Departments will be responsible for implementing various aspects of this policy as applicable:

a. Premier's Office,

b. Department of Trade and Investment Promotion,

c. Department of Agriculture and Fisheries,

d. Ministry of Education and

e. Ministry of Health and Social Development.

Purpose

25) To execute monitoring and evaluation of the various economic stimulus programmes in a three-phased plan. This includes reporting and data collection, verification and site visits and continuous tracking.

Cross-Ministry Consultation

26) The Ministry of Finance and Attorney General's Chambers are invited to comment on this initiative

Financial Implications

27) The implementation of the Monitoring and Evaluation of the Economic Stimulus Programmes to be carried out by the Premier's Office is an important exercise in determining, from the information obtained, the actual usage of the stimulus funding and the effectiveness of the programme.

28) Decision Sought d, states "approve the funding for this initiative from Premier's Office Head 2220409 , Subhead 528662 Corona Virus Prevention Expense." The request for funding suggests that expenditure is expected to be incurred. However, no budget estimate was provided for this exercise. Therefore, it would be difficult to determine if the unknown funding application would exceed the prior supplementary request balance of $222,534.06. In addition, it is uncertain if any commitment has been encumbered against this balance.

Legal Implications

29) The Cabinet paper has been duly reviewed and no legal impediments are foreseen at this point.

30) And I So Advise.

Budget

31) Funding for this will be made from Premier's Office Head 22204090, Subhead 528662 Corona Virus Prevention Expense.

Communication Strategy

32) The Government Information Service to develop communication strategy following Cabinet's approval.

Conclusion

33) Cabinet is invited to consider and concur with the decision sought.

Decision Sought

Cabinet is invited to:

a. review and approve the implementation of the Monitoring and Evaluation of the Economic Stimulus Programmes being administered by the Premier's Office: Micro Small and Medium Enterprise (MSME), Farmers and Fishermen, Daycares, Pre-schools, Private Schools, Churches and Religious Organisations, and Transportation;

b. approve the methodology outlined in the Information Paper that was noted in Regular Extract 291/2021, in Appendix Fso as to ensure accountability, value for money and transparency for each Economic Stimulus programme and persons/businesses/others that have received assistance through the Economic Stimulus Programmes administered by the Premier's Office;

c. note the template letter in Appendix B which was previously issued to each recipient of each of the Economic Stimulus Programme administered by the Premier's Office which ensured that all recipients were made aware that they would have to account for the assistance received from the Government of the Virgin Islands;

d. decide that required funding for this initiative be met from Premier's Office Head 2220409 , Subhead 528662 Corona Virus Prevention Expense, in collaboration with the Ministry of Finance;

e. decide that the Premier's Office furnish the Cabinet with quarterly reports of the efforts of this initiative which will be forwarded to the House of Assembly; and

f. decide that an expedited extract be issued to allow the decision of the Cabinet to be acted upon before the confirmation of the minutes.

Recipients: Attorney General, AGC; Financial Secretary, MOF;

Hon. Andrew A. Fahie
Premier
11 August 2021

MEMORANDUM

Ref.: IAD/SPE1/52

To: Financial Secretary

From: Director of Internal Audit

Date: June 24, 2020

Re: **Economic Stimulus - Farmers and Fisherman – Memo No. 179/2020**

I write to acknowledge your correspondence of June 18, 2020 and to seek clarification on the initiative that this office is now charged with auditing. In order to properly plan for and execute the pending engagement, it is imperative that we not only understand the implementation process but that we also first understand the objectives and the intended outcomes of the programme. Based on our initial review of the documentation provided, I was able to find "policy descriptions" for the initiative but no objectives nor outcomes. Can you please clearly identify the objectives and outcomes for the initiative?

Additionally, in reviewing the eligibility criteria for the initiative, I also require some clarification in order to provide an accurate assessment of the initiative. They are as follows:

Farmers

1. Would unregistered farmers, who have been deemed eligible, be required to register before approval for grants are made?
2. Is there an upper limit for the awards based on the size/scale of the farming operations?
3. As it relates to income, is there a specific threshold to establish "farming income dependency"?
4. Is there a guide as to what would constitute sufficient information on which the Minister will base his decision and is there a requirement for the basis of this decision to be documented? Or will this decision be solely subjective?
5. How will the contradiction be resolved in the Minister's ability to approve eligibility for applications that do not meet the established ***Scale of Commercial Agriculture in the Virgin Islands*** and **farmers who do not meet the criteria as stipulated for commercial farming not benefiting from the stimulus package** as they are considered backyard farming? Would not all of the applications that the deemed backyard farming be the same applications to be considered by the Minister?

Fishermen

As commercial fishing is a regulated activity in the Virgin Islands, would unregistered applicants be required to complete the registration/licensing process to be eligible for the initiative? It is unclear how obtaining a "notarized letter of referral from a fit and proper person verifying that the fisherman have been engaged in fishing for the past three years" would satisfy the legal requirement to engage in commercial fishing in the Virgin Islands. Government should be seen as supporting legitimate commercial activity or at least utilizing the programme in a manner that would bring persons into compliance.

I look forward to your timely response given the urgent nature to have this programme initiated.

Regards,

[redacted]

Dorea T. Corea (Mrs.)
Director of Internal Audit

DTC/st

From: Teshonda Thomas <[redacted]> on behalf of _Archive - Glenroy A. Forbes <[redacted]>
Sent: 25 June 2020 09:56
To: Jeremiah Frett
Cc: Dorea Maduro-Corea
Subject: Fw: Economic Stimulus - Farmers and Fisherman - Memo No. 179/2020
Attachments: Memo to FS - Re- Economic Stimulus - Farmers and Fisherman - Memo No. 179-2020.pdf

Dear Mr. Frett,

Please see the attached correspondence from the Director of Internal Audit. You should liaise with the Premier's Office to provide answers to the concerns raised. I await your response on the same.

Kind regards,
Glenroy A Forbes
Financial Secretary
Ministry of Finance
Government of the Virgin Islands

-----Forwarded by Teshonda Thomas/government/VG on 06/25/2020 09:53AM -----
To: Glenroy A Forbes/government/[redacted]
From: Juana Mejia Ruiz/government/VG
Date: 06/24/2020 02:28PM
Cc: Dorea T Corea/[redacted] Simba Todman/government[redacted], Rashida Maynard/government[redacted]
Subject: Economic Stimulus - Farmers and Fisherman - Memo No. 179/2020

(See attached file: Memo to FS - Re- Economic Stimulus - Farmers and Fisherman - Memo No. 179-2020.pdf)

Good afternoon Mr. Forbes,

I write on behalf of Mrs. Dorea T. Corea, Director of Internal Audit.

Please find attached the above correspondence for your attention.

Thank you in advance for your assistance in this matter.

Best regards,

Juana Mejia Ruiz
Administration
Internal Audit Department
3rd Floor, Ashley Ritter Building
Road Town, Tortola
Tel: [redacted] ext. [redacted]
Email: [redacted]

From: Jeremiah Frett <J[redacted]
Sent: 11 August 2020 11:12
To: Dr. Carolyn O'Neal-Morton
Cc: Tamesha Smith
Subject: Fw: Economic Stimulus - Farmers and Fisherman - Memo No. 179/2020
Attachments: Internal Audit - Audit Report - Economic Stimulus - Farmers & Fisherman - Memo No. 179-2020.pdf

Dear Mrs. Oneal-Morton,

As instructed by DFS Frett, we following up on the audit report done by the Internal Audit Department in relation to the above-caption. It was forwarded to you with a request for a respond to the inquiries outlined in the memorandum on.

Are there any updates on these inquiries?

Regards,

Jeremiah A. Frett (Mr.)
Deputy Financial Secretary
Ministry of Finance
Government of the Virgin Islands

Email: [redacted] **Tel:** [redacted]
Cell: [redacted] **Ext:** [redacted]

From: Rasheda Hodge on behalf of Jeremiah Frett <[redacted]>
Sent: Thursday, July 16, 2020 1:04 PM
To: Carolyn Oneal-Morton <[redacted]>
Cc: Tamesha Smith <[redacted]>
Subject: Economic Stimulus - Farmers and Fisherman - Memo No. 179/2020

Good Afternoon PS O'Neal-Morton,

As instructed by DFS Frett, please find attached audit report done by the Internal Audit Department in relation to the above-caption. You are kindly ask to respond to the inquiries outlined in the memorandum.

From: Elvia Smith <[redacted]>
Sent: 22 July 2020 11:46
To: Teshonda Thomas
Cc: _Archive - Glenroy A. Forbes; Dr. Carolyn O'Neal-Morton; Jeremiah Frett
Subject: Re: Economic Stimulus - Farmers and Fishermen

Noted. Will do my best to respond by stated date.

Kind regards

Elvia Smith-Maduro
Deputy Secretary
Premier's Office
Tel: [redacted] exty [redacted]
Mob: [redacted]
Email: [redacted]

From: Teshonda Thomas <[redacted]>
Sent: Tuesday, July 21, 2020 11:52 AM
To: Elvia Smith <[redacted]>
Cc: Glenroy A Forbes <[redacted]>; Carolyn Oneal-Morton <[redacted]>; Jeremiah Frett <[redacted]>
Subject: Economic Stimulus - Farmers and Fishermen

Dear Elvia,

Please see the note to the Financial Secretary from the Director of Internal Audit with questions and queries which the FS would like your assistance with answering.

He hopes to be in receipt of your answers by close of business on Friday 24th July, 2020.

Kind regards,
Teshonda

From: Jeremiah Frett <J[redacted]
Sent: 11 August 2020 11:12
To: Dr. Carolyn O'Neal-Morton
Cc: Tamesha Smith
Subject: Fw: Economic Stimulus - Farmers and Fisherman - Memo No. 179/2020
Attachments: Internal Audit - Audit Report - Economic Stimulus - Farmers & Fisherman - Memo No. 179-2020.pdf

Dear Mrs. Oneal-Morton,

As instructed by DFS Frett, we following up on the audit report done by the Internal Audit Department in relation to the above-caption. It was forwarded to you with a request for a respond to the inquiries outlined in the memorandum on.

Are there any updates on these inquiries?

Regards,

Jeremiah A. Frett (Mr.)
Deputy Financial Secretary
Ministry of Finance
Government of the Virgin Islands

Email: [redacted] **Tel:** [redacted]
Cell: [redacted] **Ext:** [redacted]

From: Rasheda Hodge on behalf of Jeremiah Frett <[redacted]>
Sent: Thursday, July 16, 2020 1:04 PM
To: Carolyn Oneal-Morton <[redacted]>
Cc: Tamesha Smith <[redacted]>
Subject: Economic Stimulus - Farmers and Fisherman - Memo No. 179/2020

Good Afternoon PS O'Neal-Morton,

As instructed by DFS Frett, please find attached audit report done by the Internal Audit Department in relation to the above-caption. You are kindly ask to respond to the inquiries outlined in the memorandum.

Fw: Cabinet Extracts

Simba Todman <[redacted]>
Thu 7/2/2020 10:29 AM
To: Elvia Smith <[redacted]>
Cc: Rashida Maynard-Glasgow <[redacted]>

8 attachments (4 MB)
Cabinet Instructions DIA - Policy Response to COVID-19 - Memo No. 117-2020(revised).pdf; Appendix_A-Policy_Response_COVID-19_07.04.2020__Version_2b_(1)Briefing_note.pdf; Economic Stimulus - Farmers and Fisherman - Memo No. 179-2020.pdf; Appendix_B_-_Revised_Criteria_for_Economic_Stimulus__Final (1).docx; Appendix_C_-__Economic_Stimulus_Application_for_Farmers_and_Fishermen.pdf; Appendix_D_-_Priority_List_for_fishing_and_farming (1).docx; Appendix_E_-_List_of_Licensed_Commercial_Fishermen (1).xlsx; Appendix_F_-_Crop_Documentation_Form (1).docx;

Good morning Mrs. Smith-Maduro,

Thank you for taking the time to discuss this initiative with us this morning.

As indicated, we are tasked with monitoring this initiative and report to the Minister of Finance and ultimately Cabinet on a regular basis. We are aware that there are details in the process that are still being worked on and we will endeavor to work with your team towards achieving the best possible outcome.

Please see the attached documents that were forwarded to us thus far. I ask that you submit any additional documents that might be helpful in understanding the operations/execution of the initiative. You mentioned that there is a spreadsheet prepared by the Department of Agriculture as well as an analysis done by the Central Statistics Office.

Once again, thank you for your responses and look to collaborating with you on this initiative.

Simba Todman

IAD | Deputy Director
Office: [redacted]
Email: [redacted]

-----Forwarded by Simba Todman/government/VG on 07/02/2020 10:20AM -----
To: Simba Todman/government/[redacted]
From: Dorea T Corea/government/VG
Date: 06/23/2020 10:29AM
Cc: Rashida Maynard/government/[redacted], Juana Mejia Ruiz/government/[redacted]
Subject: Fw: Cabinet Extracts

Please see the attached sent from the Financial Secretary.

I already printed the documents to have a file made for the information.

Juana will make the file when she gets back.

Dorea T. Corea
Director of Internal Audit
Internal Audit Department
Tel. [redacted]
Fax [redacted]

-----Forwarded by Dorea T Corea/government/VG on 06/23/2020 10:21AM -----
To: Dorea T Corea/government/[redacted]
From: Teshonda Thomas/government/VG
Date: 06/19/2020 11:42AM
Cc: Glenroy A Forbes/government/[redacted], Jeremiah Frett/government/[redacted]
Subject: Cabinet Extracts

(See attached file: Cabinet Instructions DIA - Policy Response to COVID-19 - Memo No. 117-2020(revised).pdf)
(See attached file: Appendix_A-Policy_Response_COVID-19_07.04.2020__Version_2b_(1)Briefing_note.pdf)
(See attached file: Economic Stimulus - Farmers and Fisherman - Memo No. 179-2020.pdf)
(See attached file: Appendix_B_-_Revised_Criteria_for_Economic_Stimulus__Final (1).docx)
(See attached file: Appendix_C_-__Economic_Stimulus_Application_for_Farmers_and_Fishermen.pdf)
(See attached file: Appendix_D_-_Priority_List_for_fishing_and_farming (1).docx)

(See attached file: Appendix_E_-_List_of_Licensed_Commercial_Fishermen (1).xlsx)
(See attached file: Appendix_F_-_Crop_Documentation_Form (1).docx)

Dear Madam Director,

The attached documents are being sent on behalf of the Financial Secretary for your attention.

Best regards,

Teshonda Thomas
Snr. Administrative Officer/PA to the FS
Ministry of Finance

Email - [redacted]

MEMORANDUM

Ref.: IAD/SPE1/52

To: Permanent Secretary, PO

From: Director of Internal Audit

Date: September 8, 2020

Re: **COVID-19 Initiatives Expenditure**

Since the commencement of the COVID-19 Pandemic situation reaching the shores of the Territory, a number of initiatives have been implemented to address and mitigate various consequential ailing factors. These undertakings were primarily instituted to minimize the stresses to both the physical/social environment and the economy. With this in mind, and in doing so, adequate measures were necessary to maintain a level of transparency, accountability and good governance.

In an effort to review and ensure that these measures were in fact considered and formulated a part of your operational strategies, and continue to do so, I am requesting the following information.

1. A list of all your COVID-19 Initiatives implemented.
2. An Estimated Expenditure Budget for each COVID-19 Initiative.
3. A list of all contracts executed as a result of all your COVID-19 Initiatives.
4. A list of all vendors procured to provide those relative invoiced products or services.
5. Any policies/procedural guideline developed to manage the programmes.
6. Any challenges faced while administering the programmes to date.
7. Any committee or group being used to evaluate/approve participants of the programme.

These initiatives are inclusive of, but not limited to, the following that I am aware of:

- Farmers/Fishermen
- City Transportation
- Quarantine/Security Provisions
- SME (Trade)

Regards,

Ministry of Finance [redacted] BRITISH VIRGIN ISLANDS

Dacea T. Cornel (Mrs.)
Director of Internal Audit

Tel: [redacted] | **Fax:** (284) 468-4743 | **Email:** [redacted] **Website:** www.bvi.gov.vg

Re: COVID-19 Initiatives Expenditure

Dorea Maduro-Corea <[redacted]>
Thu 10/15/2020 12:30 PM
To: Tamesha Smith <[redacted]>; Clayton O'Neal <[redacted]>
Cc: Simba Todman <[redacted]>

This is a follow-up to my last email. I have not heard from nor have I received any response.

I await your submission or update.

Dorea T. Corea
Director of Internal Audit
Internal Audit Department
Government of the British Virgin Islands
British Virgin Islands
Tel. [redacted]
Email [redacted]

From: Dorea Maduro-Corea <[redacted]>
Sent: Tuesday, October 6, 2020 10:39 AM
To: Tamesha Smith <[redacted]>; Clayton O'Neal <[redacted]>
Cc: Simba Todman [redacted]
Subject: Re: COVID-19 Initiatives Expenditure

Good morning,

I am just following up on my request, as I have not received any submissions from you to date.

Please update me please, as the deadline has passed.

Regards,

Dorea T. Corea
Director of Internal Audit
Internal Audit Department
Government of the British Virgin Islands
British Virgin Islands
Tel. [redacted]
Email [redacted]

From: Dorea Maduro-Corea <[redacted]>
Sent: Tuesday, September 22, 2020 11:11 AM
To: Tamesha Smith <[redacted]>; Clayton O'Neal <[redacted]>
Subject: Fw: COVID-19 Initiatives Expenditure

Good Day,

I am following up on the attached memo and correspondence that was sent to PS Oneal-Morton and was directed to you for your response.

Since some time has passed, can I please request your urgent assistance to have the information by Friday 25th September, 2020.

Thanks in advance.

Regards,

Dorea T. Corea
Director of Internal Audit
Internal Audit Department
Government of the British Virgin Islands
British Virgin Islands
Tel. [redacted]
Email [redacted]

From: Carolyn Oneal-Morton <[redacted]
Sent: Friday, September 11, 2020 11:13 AM
To: Dorea Maduro-Corea <[redacted]
Cc: Clayton O'Neal <[redacted]>; Tamesha Smith <[redacted]
Subject: Re: COVID-19 Initiatives Expenditure

Dear Mrs. Maduro Corea:
I am copying your request to the FPO and my PA so that they can help to facilitate this request.

Regards,
Carolyn O'Neal-Morton

From: Dorea Maduro-Corea <[redacted]
Sent: Wednesday, September 9, 2020 11:31 AM
To: Carolyn Oneal-Morton <[redacted]
Cc: Simba Todman <[redacted]>
Subject: COVID-19 Initiatives Expenditure

Good Morning PS Oneal-Morton,

I had a brief conversation with you regarding the above subject sometime back. Since then, I was able to obtain some information regarding the programmes, for which your Ministry is responsible for, thanks.

As I seek to get some additional information, please see the attached correspondence for your review and soonest response.

Dorea T. Corea
Director of Internal Audit
Internal Audit Department
Government of the British Virgin Islands
British Virgin Islands
Tel. [redacted]
Email [redacted]

Re: Request for Information - COVID-19 - SME Grant Initiative

Rashida Maynard-Glasgow <[redacted]>
Tue 9/29/2020 5:36 PM

To: Karia Christopher <[redacted]>; Simba Todman <[redacted]>
Cc: Dorea Maduro-Corea <[redacted]>; Carolyn Oneal-Morton <[redacted]>; Michelle Richmond - Phillips <[redacted]>; Patlian Johnson <[redacted]>; Lizette O. George <[redacted]>

Thank you for the update Mrs. Christopher. Your response has been noted.

Kindest regards,

Rashida Glasgow

From: Karia Christopher <[redacted]>
Sent: Tuesday, September 29, 2020 4:42 PM
To: Rashida Maynard-Glasgow <[redacted]>; Simba Todman <[redacted]>
Cc: Dorea Maduro-Corea <[redacted]>; Carolyn Oneal-Morton <[redacted]>; Michelle Richmond - Phillips <[redacted]>; Patlian Johnson <[redacted]>; Lizette O. George <[redacted]>
Subject: Fw: Request for Information - COVID-19 - SME Grant Initiative

Dear Mrs. Glasgow:

Once again thank you for your email please be advised of the following:-

1. Mr. Simba Todman was (today) given complete access to all the applications via the online platform.
2. Please Policy which includes eligibility and approval criteria
3. Evaluation guidelines (Admin Guidelines)
4. Final listing of approved applicants will be forwarded shortly

As per usual please feel free to contact me or any one on the committee for questions or concerns regarding the audit process.

Karia J. Christopher

Director
Trade, Investment Promotion and Consumer Affairs
Government of the Virgin Islands
Road Town, Tortola VG1110
British Virgin Islands

Phone - [redacted]

From: Rashida Maynard-Glasgow <[redacted]>
Sent: 21 September 2020 12:39

To: Karia Christopher <[redacted]>
Cc: Dorea Maduro-Corea <[redacted]>; Simba Todman <[redacted]>; Carolyn Oneal-Morton <[redacted]>
Subject: Request for Information - COVID-19 - SME Grant Initiative

Good Day Mrs. Christopher,

The Internal Audit Department has been assigned the responsibility of reviewing all COVID-19 Immediate Relief and Economic Stimulus Initiatives/Programmes implemented by the Government of the Virgin Islands. Noting that the Government recently launched and subsequently began issuing grant funding to qualified businesses under its Economic Stimulus for Micro, Small, Medium Enterprises Business Grant Relief Programme, we write to request the following information to aid in our review of this programme:

1. Approved Policy Document for the Initiative
2. Eligibility and Approval Criteria for applicants - if not included in Policy Document
3. Listing of all applicants
4. Listing of approved applicants to receive grant funding
5. Evaluation document for each grant recipient
6. Any other information that you believe will be beneficial in our review of the initiative.

If the information is available electronically, you can submit it in that form. We ask that the information be provided if possible, by **Tuesday29th October, 2020**. We also request that you let us know if you have any challenges in meeting our request.

If you have any questions or concerns, please feel free to contact Mr. Simba Todman at extension [redacted] or myself at [redacted]

Kindest regards,

Rashida Glasgow

Re: Farmer and Fisherman Grant

Carolyn Oneal-Morton <[redacted]>
Tue 11/3/2020 3:16 PM
To: Elvia Smith <[redacted]>

Dear DS:
This is confusing to me. I thought that the FS had indicated that he is responsible for reporting on these stimulus packages.

Please confirm with him.

Thanks

From: Elvia Smith <[redacted]>
Sent: Tuesday, November 3, 2020 2:47 PM
To: Carolyn Oneal-Morton <[redacted]>
Subject: Fw: Farmer and Fisherman Grant

PS

See below from Internal Audit Department regarding the Fishermen and Farmers grant. Can we discuss at your earliest convenience.

Kind regards

Elvia Smith-Maduro
Deputy Secretary
Premier's Office
Tel: [redacted] ext. [redacted]
Mob: [redacted]
Email: [redacted]

From: Simba Todman <[redacted]>
Sent: Tuesday, November 3, 2020 11:05 AM
To: Elvia Smith <[redacted]>
Cc: Dorea Maduro-Corea <[redacted]>; Glenroy A Forbes <[redacted]>; Jeremiah Frett <[redacted]>; Carolyn Oneal-Morton <[redacted]>; Rashida Maynard-Glasgow [redacted]
Subject: Farmer and Fisherman Grant

Good afternoon Elvia,

As previously discussed, this department is tasked with reviewing the various COVID-19 related grant programmes of which the Farmers and Fisherman programme is a part. This department is pleased to learn that the programme has progressed to the point where awards have been made and payments processed. With this being the case, this department would like to initiate our review of the administrative processes the Premier's Office has developed and utilized for the execution of this programme. To facilitate this review, I ask that you provide the following information.

1. Any administrative guidelines developed and utilized to execute the programme.
2. Listing of all applicants registered for the programme and the status of each application.
3. Methodology used in determining award amounts (if not contained in administrative guidelines).
4. Listing of all registered/licensed fishermen and farmers as of July 30, 2020.
5. Minutes of meetings held by the evaluation committee.
6. Any other documents/information related to the programme that you think might aid in our review.

Once this information is received and reviewed, I would like to schedule a meeting with you to discuss any areas that may need clarification.

I will be grateful if you could provide this information by **Thursday, November 5, 2020.** If you have any difficulty meeting this deadline, please let me know.

Regards,
Simba Todman

Re: Farming and Fisherman Stimulus

Simba Todman <[redacted]>
Thu 11/5/2020 3:09 PM
To: Elvia Smith <[redacted]>
Thank you for your response. Could you indicate when the information might be available?

Thanks,
Simba

From: Elvia Smith <[redacted]>
Sent: Thursday, November 5, 2020 3:03 PM
To: Simba Todman <[redacted]>
Subject: Re: Farming and Fisherman Stimulus

Dear Simba,

I come in at Mid day on Thursdays and I then went out to a site visit at the West End Community Centre. I am back in office now.

Working on getting you the information requested. Need a bit more time.

Kind regards

Elvia Smith-Maduro
Deputy Secretary
Premier's Office
Tel: [redacted] ext. [redacted]
Mob: [redacted]
Email: [redacted]

From: Simba Todman <[redacted]>
Sent: Thursday, November 5, 2020 2:53 PM
To: Elvia Smith <[redacted]>
Subject: Farming and Fisherman Stimulus

Good afternoon Elvia,

I tried contacting you earlier today but you were not available. This is just a gentle reminder of my request for information.

Could you please provide an update on the progress of this request.

Thanks
Simba

Information Request Reminder

Simba Todman <[redacted]>

Thu 11/12/2020 9:18 AM

To: Elvia Smith <[redacted]>

Good morning Elvia,

Just a gentle reminder on my information request. Please inform when the information will be available.

Thanks.

MEMORANDUM

Ref.: IAD/SPE1/52

To: Financial Secretary

From: Director of Internal Audit

Date: November 9, 2020

Re: **COVID-19 Economic Stimulus Initiatives**

The Internal Audit Department was tasked with the responsibility to audit the COVID-19 Economic Stimulus Initiatives as outlined by the Premier and his Cabinet as follows:

1. Memo 179/2020 – Farmers and Fishermen
2. Memo 236/2020 – Daycares, Pre-Schools, Private Schools, Churches and Religious Organisations
3. Memo 344/2020 – Assistance Grants Programme (House of Assembly)
4. City Transportation Programme Initiative
5. MSME Small Business Sector Grant Programme

For all the initiatives itemized above, it was expected that a policy paper providing guidelines for administering each programme would be developed and made available for the persons responsible for execution. Additionally, these guidelines would have been reviewed and the appropriate parameters implemented to process applications and ultimately make payments.

Notwithstanding, this seems to have not been the case entirely. While the directives were being given that the auditors would assess the programmes, the initiatives did not have any established guidance to manage the entire process (from application to payment). This is the opinion of the department since from the issuance of the press release until present, information has been sought from the agencies responsible, questions have been asked about the programmes and still this information has neither been provided nor seemingly forthcoming; even from the Ministry of Finance.

With regards to a few programmes that had some guidelines made available to provide some transparency and accountability over the process, all those stipulations were eventually disregarded creating a situation where awards were just made in an ad hoc manner: with the institution of a calculated payment, tiers system amongst applicants.

These programmes included the following:

1. Memo 236/2020 – Daycares, Pre-Schools, Private Schools, Churches and Religious Organisations
2. MSME Small Business Sector Grant Programme
3. Memo 179/2020 – Fishermen and Farmers Programme

And while the House of Assembly Assistance Grants Programme did not follow a constituted tiers system, the legitimacy of the review process remains questionable; as it is difficult to audit a system where there are no pragmatic guidelines that are consistently adhered to and awards are subjective and unsupported. That being the case and from the initial audit assessment, there are a number of questions regarding the approval process that has been asked of persons who were directly involved, but none is admittedly responsible enough to provide the necessary information, for whatever reasons.

Conclusively, the department has decided to issue one report with subsequent financial updates, as the processes and information available is not substantial to have the monthly reports as the Premier requested. This in itself is clear indication that due to the absence of clear policies and procedures to manage the various programmes, the probability of significant exposure to mismanagement and abuse of expending this quantity of fund is heightened, and exposure to maladministration is conceivable.

If you have any immediate concerns, feel free to contact me at your earliest convenience.

Respectfully,

Ministry of Finance [redacted]

Doreg T. Corea (Mrs.)
Director of Internal Audit

Re: COVID-19 Stimulus Programme Grants

Dorea Maduro-Corea <[redacted]>
Tue 6/1/2021 1:11 PM
To: Dr. Carolyn O'Neal-Morton <[redacted]>
Thanks for the update.

Dorea T. Corea
Director of Internal Audit
Internal Audit Department
Government of the British Virgin Islands
British Virgin Islands
Tel. [redacted]
Email [redacted]

From: Dr. Carolyn O'Neal-Morton <[redacted]>
Sent: Tuesday, June 1, 2021 12:59 PM
To: Dorea Maduro-Corea <[redacted]>
Subject: Re: COVID-19 Stimulus Programme Grants

Good afternoon:
Working on it now.
Will remind FPO to work on it.
I apologize for the delay

From: Dorea Maduro-Corea <[redacted]>
Sent: Tuesday, June 1, 2021 12:57 PM
To: Dr. Carolyn O'Neal-Morton <[redacted]>
Subject: Re: COVID-19 Stimulus Programme Grants

Good afternoon PS Morton,

I am following up on the remaining information you are expected to submit to the Internal Audit Department regarding the above caption.

Please update me accordingly. Thank you in advance.

Respectfully,

Dorea T. Corea
Director of Internal Audit
Internal Audit Department
Government of the British Virgin Islands
British Virgin Islands
Tel. [redacted]

Email [redacted]

From: Dorea Maduro-Corea <[redacted]>
Sent: Friday, April 30, 2021 10:25 AM
To: Dr. Carolyn O'Neal-Morton <[redacted]>
Subject: Re: COVID-19 Stimulus Programme Grants

Good morning PS Morton,

This is just a reminder and follow-up for the information that you have pending with regards to the email below.

For ease of reference, I am identifying the information herein.

> **Once the information contained in numbers 4 to 8 is completed, the information will be forwarded.**

Respectfully,

Dorea T. Corea
Director of Internal Audit
Internal Audit Department
Government of the British Virgin Islands
British Virgin Islands
Tel. [redacted]
Email [redacted]

From: Dr. Carolyn O'Neal-Morton <[redacted]>
Sent: Wednesday, February 3, 2021 5:35 PM
To: Jeremiah Frett <[redacted]>
Cc: Dorea Maduro-Corea <DCorea@gov.vg>
Subject: Re: COVID-19 Stimulus Programme Grants

Dear Mr. Frett:

By way of email Mrs. Maduro Corea was sent the information for numbers 1 and 2 by the Finance and Planning Officer, Mr. Clayton O'Neal on November 17th, 2020, at 5:00 pm.

This was sent for all four(4) stimulus packages that are currently being handled by the Premier's Office.

I also forwarded the thread for all of the stimulus packages to both you and Mrs. Corea earlier this week, on February 1st, 2021. I trust that based on the contents of this thread that you would have realized that

Mrs. Corea had already received information from the Premier's Office.

Once the information contained in numbers 4 to 8 is completed, the information will be forwarded.

I trust that this is helpful.

Regards,

Carolyn O'Neal-Morton PhD
Permanent Secretary
Premier's Office

From: Jeremiah Frett <[redacted]
Sent: Wednesday, February 3, 2021 4:15 PM
To: Dr. Carolyn O'Neal-Morton <[redacted]
Subject: COVID-19 Stimulus Programme Grants

Dear Dr. O'Neal-Morton,

The Internal Audit Department is urgently requesting the following information in relation to the above-captioned :

1. Policy/programme documents prepared to guide each programme listed:
    a. Farmers and Fisherman Stimulus Programme
    b. Educational and Civic Organization Stimulus Programme
    c. Small Medium Enterprises Stimulus Programme
2. Description of objectives and expected outcomes (performance measures) for each programme, if not contained in the policy/programme documents
3. List of all applicants for each programme
4. List of all approvals under each programme and the amounts
5. Criteria used to evaluate each application under each programme, if not contained in the policy/programme document.
6. Description of mechanisms established to assess the outcomes of each programme.
7. Explanation of any extraordinary circumstances that may have caused deviation for established guidelines.
8. Response to Audit Query sent by email on December 21, 2020, pertaining to payments made to [redacted]

We would be most grateful if you could facilitate Internal Audit's request by responding to each item listed above on one comprehensive document.

Regards,

Jeremiah A. Frett
Financial Secretary (Ag.)
Ministry of Finance
Government of the Virgin Islands

Email: [redacted] | Tel: [redacted]
Cell: [redacted] | Ext: [redacted]

Re: Audit Query - Payments - Farmers/Fishers Assistance Grants Programme

Dorea Maduro-Corea <[redacted]>
Thu 4/1/2021 9:45 AM

To: Dr. Carolyn O'Neal-Morton <[redacted]>

I refer back to the initial query that was submitted by Mrs. Rashida Glasgow regarding payments made to persons for the Farmers/Fishers Assistance Grants Programme that appeared to be duplicates and was anticipating a response; but to date, none was provided nor received. Given the minor communication situation experienced which could have very well thrown off the issue at hand, I am again submitting the query that was placed and look forward to an immediate response so that this department can conclude that assignment.

I appreciate your consideration and cooperation at this time regarding that outstanding matter.

Regards,

Dorea T. Corea
Director of Internal Audit
Internal Audit Department
Government of the British Virgin Islands
British Virgin Islands
Tel. [redacted]
Email [redacted]

From: Dorea Maduro-Corea <[redacted]>
Sent: Wednesday, December 23, 2020 3:43 PM
To: Dr. Carolyn Oneal-Morton <[redacted]>
Subject: Re: Audit Query - Payments - Farmers/Fishers Assistance Grants Programme

You're most welcomed.

Dorea T. Corea
Director of Internal Audit
Internal Audit Department
Government of the British Virgin Islands
British Virgin Islands
Tel. [redacted]
Email [redacted]

From: Carolyn Oneal-Morton <[redacted]>
Sent: Wednesday, December 23, 2020 10:36 AM
To: Dorea Maduro-Corea <[redacted]>
Subject: Re: Audit Query - Payments - Farmers/Fishers Assistance Grants Programme

Good morning Mrs Maduro-Corea

I thank you for your email. I do appreciate your position on the matter. I prefer to have the matter sent to me directly.
I appreciate your attention and cooperation in this regard.

Regards,
Carolyn O'Neal Morton
Permanent Secretary
Premier's Office

Get Outlook for iOS

From: Dorea Maduro-Corea <[redacted]
Sent: Wednesday, December 23, 2020 9:47:49 AM
To: Carolyn Oneal-Morton [redacted]
Cc: Elvia Smith <[redacted]; Simba Todman <[redacted]; Clayton O'Neal <[redacted]>; Rashida Maynard-Glasgow <[redacted]>
Subject: Re: Audit Query - Payments - Farmers/Fishers Assistance Grants Programme

Good Morning All,

While I have noted the thread of emails and the acceptable outcome of the situation, after some thought, I must share my concern as well as my support for Ms. Glasgow.

Madame Permanent Secretary Morton, it is never the intent nor the practice of officers within the Internal Audit Department to communicate directly with any officer within ministries and departments without the consent of the Accounting Officer; however, in this regard, I must highlight that the query stemmed from my initial request from you, which you directed to the Finance and Planning Officer, Mr. Clayton O'Neal. Hence, by extension of this access, Mrs. Glasgow communicating on my behalf did not see the need to channel the information through yourself again (as she and I had discussed the matter). Notwithstanding, if it is your preference to have every request routed through you, as the Accounting Officer, then that will be done in the future.

Please note that this email is just for clarity regarding communication with your office and as apologies has already been given, I again extend the same. Please do provide feedback so that we can all be in agreement with what is required.

I appreciate and anticipate the continued assistance of your office as we work together.

Respectfully,

Dorea T. Corea
Director of Internal Audit
Internal Audit Department
Government of the British Virgin Islands
British Virgin Islands
Tel. [redacted]
Email [redacted]

From: Rashida Maynard-Glasgow <[redacted]>
Sent: Monday, December 21, 2020 9:16 AM
To: Carolyn Oneal-Morton <[redacted]>; Elvia Smith <[redacted]>; Clayton O'Neal <[redacted]>
Cc: Dorea Maduro-Corea <[redacted]>; Simba Todman <[redacted]>
Subject: Re: Audit Query - Payments - Farmers/Fishers Assistance Grants Programme

My apologies Mrs. Morton. Your response is noted.

Kindest regards,

Rashida Glasgow

From: Carolyn Oneal-Morton <[redacted]>
Sent: Monday, December 21, 2020 9:13 AM
To: Rashida Maynard-Glasgow <[redacted]>; Clayton O'Neal <[redacted]>; Elvia Smith <[redacted]>
Cc: Dorea Maduro-Corea <[redacted]>; Simba Todman <[redacted]>
Subject: Re: Audit Query - Payments - Farmers/Fishers Assistance Grants Programme

Good day Mrs Glasgow
Thanks for your email. In the future, please direct your queries/ correspondence to the accounting officer, which in this case is the Permanent Secretary. In turn, the information will be distributed accordingly.
I thank you for your cooperation.

Regards,

Carolyn O'Neal Morton
Permanent Secretary
Premier's Office

Get Outlook for iOS

From: Rashida Maynard-Glasgow <[redacted]>
Sent: Monday, December 21, 2020 9:08:08 AM
To: Clayton O'Neal <[redacted]>; Carolyn Oneal-Morton <[redacted]>; Elvia Smith <[redacted]>
Cc: Dorea Maduro-Corea <[redacted]>; Simba Todman <[redacted]>
Subject: Audit Query - Payments - Farmers/Fishers Assistance Grants Programme

Good day Mr. O'Neal,

We write to query the following payments discovered in payment vouchers received from the Treasury Department for the Farmers/Fishers Assistance Grants Programme being administered by the Premier's

Office. Please note that this query is to bring further clarification to the payments made and to ensure accountability within the process:

1. [redacted] **- 2 payments(PV#970884 - $11,000 and PV#966706 - $9,000)** were found made to this individual. The accompanying supporting documentation looks identical with changes made to the amounts approved for payment to this individual. While we understand that individuals could be both farmer and fisher, we just need to clarify because of the similarity observed in the attached listing, that both payments are indeed legitimate and that there was not a duplication in payment.
2. [redacted] - 3 payments ($PV#970480 - $13,500, PV#971663 - $20,000, PV#965573 - $20,000) - were found for this individual. Again, there appears to be some similarity between two of the listings attached to two of the payments and as such we need to clarify if these payments made are indeed legitimate.
3. [redacted] **- 2 payments (PV#966116 - $13,500 and PV#970333 - $13,500)** were made to this individual. The accompanying supporting documents show [redacted] appearing on a list prepared for District 5 and also District7. Again, we need to clarify that the two payments made to [redacted] are legitimate and that there was not a duplication in his name appearing on both lists or if these are two separate individuals.

We appreciate you soonest response to this query.

Kindest regards,

Rashida Glasgow

Audit Query - Payments - Farmers/Fishers Assistance Grants Programme

DO Dr. Carolyn O'Neal-Morton
Thu 4/1/2021 10:53 AM
To: Clayton O'Neal

Dear FPO
Please note request at the beginning of the email thread. The request is from the Director of Internal Audit.
Thanks

Get Outlook for iOS

Reply **Forward**

DO Dr. Carolyn O'Neal-Morton
Good morning My sincere apologies for this oversight. I shall refer to the FPO f... Thu 4/1/2021 10:44 AM

You forwarded this message on Thu 4/1/2021 10:53 AM

The message sender has requested a read receipt. To send a receipt,click here.

DM Dorea Maduro-Corea
Thu 4/1/2021 9:45 AM
To: Dr. Carolyn O'Neal-Morton

I refer back to the initial query that was submitted by Mrs. Rashida Glasgow regarding payments made to persons for the Farmers/Fishers Assistance Grants Programme that appeared to be duplicates and was anticipating a response; but to date, none was provided nor received. Given the minor communication situation experienced which could have very well thrown off the issue at hand, I am again submitting the query that was placed and look forward to an immediate response so that this department can conclude that assignment.

I appreciate your consideration and cooperation at this time regarding that outstanding matter.

Regards,

Dorea T. Corea
Director of Internal Audit
Internal Audit Department
Government of the British Virgin Islands
British Virgin Islands

OFFICE OF THE AUDITOR GENERAL
GOVERNMENT OF THE VIRGIN ISLANDS

PO Box 174, Road Town, Tortola, Virgin Islands
Telephone: [redacted] Email: [redacted]

MEMORANDUM

From: Auditor General

To: Permanent Secretary,
Office of the Premier

Date: 13 July 2020

COVID-19 Stimulus Grants

The Audit Office will be performing ongoing reviews of the administration and application of the Government's COVID-19 stimulus programmes. The Office of the Premier will be administering various stimulus programmes. It is essential that controls are put in place at the onset to ensure accountability, transparency and fairness in the application of these funds. Controls implemented by your office should include:

i. Beneficiary application forms;

ii. Clear criteria for eligibility together with a statement of the supporting documents required from applicants;

iii. Process for vetting and approval of applicants;

iv. A database of applicants which should include information on current processing status and outcome of the application (approved or otherwise);

v. Where applicable, verification of good standing with other Government offices with respect to outstanding Government fees and obligations;

vi. Coordination with other Government offices involved in distribution of stimulus grants to identify individuals applying for relief from multiple agencies (this should be included as a question on your application form).

An auditor will be contacting your office within the coming weeks to review the controls currently in place. In the interim, please forward copies of the application forms, guidelines and other related documents that have been developed to facilitate the processing of the stimulus grants to [redacted].

While it is imperative that persons needing assistance are expeditiously provided with relief, we must continue to maintain public accountability and transparency in the application of all Government funds and ensure that the business of the Government is at all times carried out at the highest standards.

[redacted]
Sonia M Webster
Auditor General

cc Director of Internal Audit

Office of the Premier - Administration of Stimulus Grants

Sonia Webster <[redacted]>
Mon 7/13/2020 5:14 PM

To: Carolyn Oneal-Morton <[redacted]>
Cc: Amoret Davies <[redacted]>; Dorea Maduro-Corea <[redacted]>

1 attachments (762 KB)
Stimulus Grants - Office of the Premier.pdf;

Good Afternoon Permanent Secretary,

Please see the attached memorandum for your attention.

Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email: [redacted]
Tel: [redacted]

In accordance with section 109(4) of the Virgin Islands Constitution the Auditor General acts independently and is not subject to the direction or control of any other person or Authority.

Covid-19 Economic Stimulus Programs- Request for an interview / Documents

Kenrick Grant [redacted]
Mon 11/30/2020 5:10 PM
To: Carolyn Oneal-Morton [redacted]
Cc: Amoret Davies [redacted]; La'Keisha Hendrickson [redacted]

Dear Mrs. Oneal-Morton

Further to our memorandum on the 23rd July, 2020. We are requesting an interview with the key personnel in the Premier's Office that can provide information about the covid-19 economic stimulus programs that falls under your ministry. We would like to arrange this interview on Thursday 3rd of December 2020. The lead auditors on this assignment are Kenrick Grant and La'Keisha Hendrickson-Browne

Prior to this interview, we would like electronic copies of all the contracts issued under your ministry for the programs.

Should you need any clarification on our request or should you have any concerns, please contact me at ext [redacted]

Regards

Kenrick Grant
Audit Manager
Office of the Auditor General
Government of the Virgin Islands
Road Town, Tortola
Tel: [redacted]

GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office

Government of the Virgin Islands
Central Administration Complex
#33 Admin Drive
Road Town, TORTOLA VG1110
VIRGIN ISLANDS

Our Ref: PO/H1/013

28th June, 2021

Ms. Sonia M. Webster
Auditor General
Office of the Auditor General
Government of the Virgin Islands
Road Town, TORTOLA VG1110
BRITISH VIRGIN ISLANDS
Via Email: [redacted]

Dear Ms. Webster:

Preliminary Report on the Expenditure of COVID-19 Stimulus Funds by the Premier's Office July 2020 - May 2021

A pleasant good day to you and your staff.

I write to submit to your good office the attached copy of the Preliminary Report on the Expenditure of COVID-19 Stimulus Funds by the Premier's Office July 2020 - May 2021.

This Preliminary Report serves as an Addendum to the final Special Audit Reports prepared and circulated by your office, dated 21 June, 2021, entitled:

1. Audit Report - COVID–19 Stimulus Grants To Religious Institutions, Civic Groups, Private Schools & Daycares, and

2. Audit Report - Covid-19 Stimulus Grants To Farmers & Fisherfolk,

and should accompany each of those reports wherever they are circulated or referenced.

You would recall from our prior communications on the drafts of these two reports by your office, that I had indicated that significant issues were found with those reports, hence a comprehensive response was needed.

You would also recall that I had indicated in our various communications that the Premier's Office had been in the process of preparing our Preliminary Report on the various COVID-19 Stimulus Reports that were implemented by the Premier's Office, however due to resource constraints and the demands placed on these limited resources to comply with requests from the ongoing Commission of Inquiry into Governance in the British Virgin Islands, the Preliminary Report could not have been completed before today's date, 28th June, 2021.

Tel: (284) 468-2152[redacted] **Fax:** (284) 468-3294 **Email:** premieroffice@gov.vg www.bvi.gov.vg

I had also emphasised that the internal audit process had not yet had the opportunity to run its normal and prescribed course at the time your draft report. The situation remains the same until now. Hence, the figures quoted in the Preliminary Report are unaudited, as is the case with the two audit reports by your office mentioned above.

I hope the Preliminary Report on the Expenditure of COVID-19 Stimulus Funds by the Premier's Office enclosed here is useful to your purpose.

Do have a blessed day.

In BVILOVE,

[redacted]

Carolyn O'Neal Morton, PhD
Permanent Secretary

cc: His Excellency the Governor
Hon Attorney General
Financial Secretary
Director of Internal Audit

MEMORANDUM

Rec'd June 25@ 3:02 pm [redacted]

FROM: Attorney General **Our Ref:** AGC SS 5/1/1/4

TO: Permanent Secretary, Premier's Office

DATE: 25th June, 2021

Re: Request for Legal Advice

Reference is made to caption and to your Memorandums dated 9th February 2021 and 15th June, 2021.

We are asked to provide advice on the sequential process for providing information to the Auditor General, in particular whether the laws of the Virgin Islands allow the Auditor General to act prior to the completion of the internal audit process. In order to properly advise on the issue we have reviewed the duties and powers of the Auditor General as per the Virgin Islands Constitution Order 2007 (the "Constitution") and the Audit Act 2003 (as amended).

The Constitution at section 109(2) outlines the duty of the Auditor General as follows:

> *"the accounts of the House of Assembly and all Government departments and offices (including the Public Service Commission, the Teaching Service Commission, the Police Service Commission and such other body as may be designated by law) shall be audited and reported on annually by the Auditor General, and for that purpose the Auditor General or any person authorised by him or her shall have access to all books, records, returns and other documents relation to such accounts."*

The Audit Act 2003 (as amended) (the "Act") at section 11(1)(2) largely mirrors section 109(2) of the Constitution and specifies the powers of the Auditor General as follows:

> *"(1) The Auditor General has all the powers necessary to enable him to perform his duties. (2) In particular, the Auditor General has power to require a public officer (a) to conduct, on behalf of the Auditor General, an inquiry, examination or audit and to report his findings to the Auditor General; (b) to give the Auditor General access to property that is in the public officer's possession or under his control as a result of the officer's duties; (c) to search and provide extracts from Government records or records to which the Government has access; or (d) to give or provide to the Auditor General any explanation or information the Auditor General considers necessary to enable him to perform his duties."*

Aside from certain provisions requiring the Auditor General to comply with specific timeframes for completing her report to the Minister, there is no specific provision in the Act, which subjects the exercise of the Auditor General's functions or powers to any process. The absence of such a provision is unsurprising given the recognition of the impendence of the Auditor General in

section 109(4) of the Constitution which expressly states that "*in the exercise of his or her functions ... the Auditor General shall not be subject to the direction of control of any other person or authority*".

We have also reviewed the Internal Audit Act, 2011 which generally outlines the process for the internal audit of any ministry, department or an institution in respect of which the Government has control by virtue of the constitution of that institution, excluding statutory corporations that do not receive subventions from the central Government. We note that the powers of the Director of internal audit largely mirror those of the Auditor General. As per section 12 of the Internal Audit Act, the Director has discretionary power to:

> *(a) access any Government asset or property belonging to a Public Authority which is in the possession of or under the control of a public officer or an employee of the Public Authority;*
>
> *(b) enter and inspect any premises of the Public Authority;*
>
> *(c) search or inspect any document, record or information of the Public Authority, and obtain extracts or copies of the documents, record or information; and*
>
> *(d) request from any public officer or employee of the Public Authority any information or document, including electronic data, which is relevant for purposes of an internal audit.*

There are also similar reporting obligations placed on the Director for example the Director is required to report to the Internal Audit Advisory committee whereas the Auditor General is required to report to the Minister of Finance. Outside of these general similarities in both audit processes, there is no apparent overlap between the internal audit process and and that of the Auditor General. Specifically, there is no provision either in the Audit Act or the Internal Audit Act requiring the conclusion of an internal audit prior to the commencement of an audit by the Auditor General.

Additionally, section 11(3) of the Act specifically provides that a public officer "shall comply" with the Auditor General's request documents or information. The Act does not provide any exception for the completion of an internal audit. Accordingly, the Premier's office should take immediate steps to comply with the Auditor General's request for information.

Please be guided accordingly.

Sincerely,

[redacted]

Fiona Forbes-Vanterpool (Mrs)
Principal Crown Counsel
(for) Attorney General

GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office

Government of the Virgin Islands
Central Administration Complex
#33 Admin Drive
Road Town, TORTOLA VG1110
VIRGIN ISLANDS

Our Ref: PO/H1/013

29th June, 2021

Ms. Sonia M. Webster
Auditor General
Office of the Auditor General
Government of the Virgin Islands
Road Town, TORTOLA VG1110
BRITISH VIRGIN ISLANDS
Via Email: [redacted]

Dear Ms. Webster:

Preliminary Report on the Expenditure of COVID-19 Stimulus Funds by the Premier's Office July 2020 - May 2021

Further Addendum to the Auditor General's Special Audit Reports on the COVID–19 Stimulus Grants To Religious Institutions, Civic Groups, Private Schools & Daycares and Covid-19 Stimulus Grants To Farmers & Fisherfolk.

I have taken notice of your statements in your testimony at the 18th Day of Hearing of the Commission of Inquiry into Governance in the Virgin Islands (COI) yesterday, 28th June, 2021, in which you have referenced the final Special Audit Reports prepared and circulated by your office, dated 21st June, 2021, entitled:

1. Audit Report - COVID–19 Stimulus Grants To Religious Institutions, Civic Groups, Private Schools & Daycares; and
2. Audit Report - Covid-19 Stimulus Grants To Farmers & Fisherfolk

and in which you stated that the Premier's Office refused to cooperate with your office in the preparation of these reports.

I have already written to you yesterday, providing a copy of the Preliminary Report on the Expenditure of COVID-19 Stimulus Funds by the Premier's Office July 2020 - May 2021, which I had indicated in our previous communications would be completed yesterday, 28th June, 2021, and which it would have been difficult to complete sooner due to the resource constraints of the Premier's Office, especially in light of the urgent demands for information required by the CoI.

As I have stated in my earlier letter, the Preliminary Report on the Expenditure of COVID-19 Stimulus Funds by the Premier's Office July 2020 - May 2021 is an Addendum to your two above-referenced audit reports, and should accompany each of those reports wherever they are circulated or referenced to allow for due process and fairness.

Your statements that the Premier's Office was uncooperative with your office are untrue, as evidenced by the correspondences between yourself as Auditor General and myself as Permanent Secretary, Premier's Office.

These correspondences are attached to this letter and are as follows:

1. Thread of four (9) emails exchanged between the Permanent Secretary, Premier's Office and the Auditor General, copied to others, between 14th June, 2021 and 10th March, 2021; subject Audit of Government's COVID-19 Stimulus Funds (6 pages);

2. Your email to the Permanent Secretary, Premier's Office and others dated 25th May, 2021; subject RESTRICTED: DRAFT AUDIT REPORT on COVID 19 Stimulus Grants to Farmers and Fisherfolk (1 page);

GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office

Government of the Virgin Islands
Central Administration Complex
#33 Admin Drive
Road Town, TORTOLA VG1110
VIRGIN ISLANDS

3. Letter from the Permanent Secretary, Premier's Office to the Auditor General, dated 31st May, 2021; subject Draft Audit Report – Stimulus Grants – Farmers and Fishermen (2 pages);

4. Thread of four (4) emails exchanged between the Personal Assistant to the Permanent Secretary, Premier's Office and the Auditor General, between 14th June, 2021 and 31st May, 2021; subject Draft Audit Report - Stimulus Grants - Farmers and Fishermen (3 pages);

5. Memorandum from the Permanent Secretary, Premier's Office to the Auditor General, dated 15 June, 2021; subject Draft Audit Report – Stimulus Grants – Farmers and Fishermen (1 page);

6. Thread of eight (8) emails exchanged between the Permanent Secretary, Premier's Office and the Auditor General, between 14th June, 2021 and 18th June, 2021; subject Draft Audit Reports (4 pages);

7. Thread of three (3) emails exchanged between the Permanent Secretary, Premier's Office and the Auditor General, on 21st June, 2021; subject Submission of Response to Draft Audit Reports (3 pages); and

8. Your email to the Governor and others dated 21st June, 2021; subject AUDIT REPORTS - COVID-19 Grants to Farmers and Fisherfolk, COVID-19 Grants to Religious Institutions, Civic Groups and Private Schools (1 page).

Further, in addition to our communications, I had previously written to the Honourable Attorney General on 9th February, 2021 requesting legal advice on the sequence that should be followed in auditing – whether the internal audit procedure should not be completed before a post audit is done, since the Premier's Office was facing simultaneous audit requests from both the Director of Internal Audit and the Auditor General.

In addition, the Cabinet's directive was that the initiatives would be audited by the Internal Audit department. Having not received a reply to this request, a follow-up letter was sent to the Honourable Attorney General on 15th June, 2021, highlighting the urgency of obtaining this advice. These letters are also attached here along with the response of the Honourable Attorney General, which advice was only received on 25th June, 2021 – some four days after the Special Audit Reports were finalized and submitted to the Governor by your office.

At all times the Premier's Office has maintained the high esteem in which we hold you and your office and our respect for your role in Good Governance, and our willingness to provide you with accurate information. I emphasised on repeated occasions that the Premier's Office simply required adequate time to compile this information given the resource constraints we were operating with, which was severely strained due to the high volume of requests for information for the CoI.

I also emphasised on several occasions that numerous factual inaccuracies were observed in your office's draft Special Audit Reports for the COVID-19 Stimulus Grants To Religious Institutions, Civic Groups, Private Schools & Daycares, and the Covid-19 Stimulus Grants To Farmers & Fisherfolk, and that these would be most efficiently clarified in a report that was being prepared by the Premier's Office on the COVID-19 Economic Stimulus programmes which would be provided to you on completion.

In the interest of fairness, due process and completeness, and in light of your testimony and evidence to the CoI that the Premier's Office has been uncooperative with your office, I must now insist that this letter and all the attachments to it must also be included as a Further Addendum to both the Special Audit Report on the COVID-19 Stimulus Grants to Religious Institutions, Civic Groups, Private Schools & Daycares and the Special Audit Report on the Covid-19 Stimulus Grants To Farmers & Fisherfolk, as well as the Preliminary Report on the

GOVERNMENT OF THE VIRGIN ISLANDS
Premier's Office

Government of the Virgin Islands
Central Administration Complex
#33 Admin Drive
VG1110
ISLANDS

Expenditure of COVID-19 Stimulus Funds by the Premier's Office July 2020 - May 2021, which is the first Addendum to both of those reports.

It is unfortunate that it has come to my having to publish the correspondences between us, however I am left no alternative given the erroneous contents of your two (2) Special Audit Reports and the inaccurate statements that you have made to the CoI in your testimony, which if left uncontested would seriously and unjustly injure the reputation of the Government of the Virgin Islands, the Premier's Office and the public officers assigned to the Premier's Office.

Do have a blessed day.

In BVILOVE,

[redacted]
Carolyn O'Neal Morton, PhD
Permanent Secretary

pc: His Excellency the Governor
Hon. Premier
Hon. Attorney General
Financial Secretary
Director of Internal Audit

Tel: (284) 468-2152/2352 Fax: (284) 468-3294 Email: premieroffice@gov.vg www.bvi.gov.vg

AUDIT REPORTS - COVID-19 Grants to Farmers and Fisherfolk, COVID-19 Grants to Religious Institutions, Civic Groups and Private Schools

Sonia Webster <[redacted]>

Mon 6/21/2021 9:15 PM

To: Governor John Rankin <[redacted]>; Premier British Virgin Islands - Hon. Andrew A. Fahie <[redacted]>
Cc: Dr. Carolyn O'Neal-Morton <[redacted]>; Carolyn Stoutt-Igwe <[redacted]>

3 attachments (6 MB)

Cover Letter COVID-19 Reports 1and 2.pdf; FINAL - COVID-19 GRANTS TO RELIGIOUS ORGS & PRIVATE SCHOOLS.pdf; FINAL - COVID-19 GRANTS TO FARMERS AND FISHERFOLK.pdf;

Good Evening Your Excellency,

The above reports are hereby forwarded in accordance with section 20 of the Audit Act 2003, for your attention and necessary action.

Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email: [redacted]
Tel: (284)468-4144

Re: Submission of Response to Draft Audit Reports

Dr. Carolyn O'Neal-Morton <[redacted]>
Mon 6/21/2021 3:56 PM
To: Sonia Webster <[redacted]>
Cc: [redacted]>; Premier British Virgin Islands - Hon. Andrew A. Fahie <[redacted]>
Bcc: Sunil Ramjitsingh <[redacted]>; wendell m. gaskin <[redacted]>

Dear Madam Auditor General:

I acknowledge receipt of your email.
As you would be aware, it is professionally inappropriate to provide incomplete information , especially when dealing with unaudited data. This is a recipe for chaos that I would very much like to avoid.
As I indicated, we are quite optimistic that the responses will be completed by June 28th, 2021.

However, if we are able to finish before that date, we will kindly submit the response to your good office.

Yours in BVILOVE,

Carolyn O'Neal Morton, PhD
Permanent Secretary

Premier's Office
Government of the Virgin Islands
3rd Floor Cutlass Tower | Road Town, TORTOLA | BRITISH VIRGIN ISLANDS
Telephone: (284) 468 2152 | Email: [redacted] | Website: www.bvi.gov.vg

---

From: Sonia Webster <[redacted]>
Sent: Monday, June 21, 2021 2:59 PM
To: Dr. Carolyn O'Neal-Morton <[redacted]>
Subject: Re: Submission of Response to Draft Audit Reports

Good Afternoon Dr O'neal-Morton,

Thankyou for the update. Please forward your response with the information already compiled.

Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email: [redacted]
Tel: (284)468-4144

From: Dr. Carolyn O'Neal-Morton <[redacted]
Sent: Monday, June 21, 2021 2:49 PM
To: Sonia Webster <[redacted]>
Cc: [redacted] Premier British Virgin Islands - Hon. Andrew A. Fahie [redacted]>
Subject: Submission of Response to Draft Audit Reports

Dear Madam Auditor General:
I hope this email reaches you in good health and spirits.
I have been trying to reach you via telephone without success.
With respect to your deadline for responding to your draft audit reports on the Farming and Fishermen COVID-19 Stimulus Programme and the COVID-19 Economic Support to Day Cares, Pre-Schools, Private Schools, Churches and Religious Organizations, my Office has been working assiduously to provide a meaningful response to these draft documents. You would appreciate that it is important that we are as accurate as possible when it comes to reporting on figures, especially as these relate to expenditure, and therefore this is an exercise that requires care and caution.
Some of my staff have been generous in coming out on the weekend to assist in this exercise, despite the fact that this was their private time for which they would not be paid. We have made substantial progress and we are continuing to push forward in spite of the various constraints which I have communicated in my prior communication with you. These include staffing issues as well as other responsibilities of this office that are beyond our control. As I also indicated previously, we are also fulfilling requests from the ongoing Commission of Inquiry, and this has put extreme demands on our very limited resources.
It was in light of all of these factors that I had requested a three-week extension from the initial deadline for your first report (Farmers and Fishermen Report) - which was then followed by a second report from you (Day Cares, Pre-Schools, Private Schools, Churches and Religious Organizations), the response to which you had also requested with a very short deadline.
As I indicated in previous communication, a cursory look at your two reports have shown fundamental errors that appear to emanate from the source of the data used by your office with respect to claims of accounting errors, financial payouts and methodology. Hence, your office is deserving of a comprehensive response that will address all these issues - which is what we are in the process of compiling.
You must also bear in mind that the normal and prescribed internal auditing process has not yet had the opportunity to run its proper course. This means that we are examining unaudited records to prepare our response to you. But given the potential that these topics have to become explosive when they enter the public domain - as we have seen in recent instances - you would appreciate that my Office must exercise further diligence in reporting based on unaudited data as you are forcing us to do here. Again, this emphasizes the need for a reasonable timeframe for preparing a proper and comprehensive reply to your draft reports, and hence my initial requests for a more reasonable deadline.
Despite the efforts of my staff, some of whom came out over the Father's Day weekend for no extra remuneration, there is still some work to be completed before we can provide you with a response that we can have confidence in.
In this regard, I do wish to advise that my office would require until 28 June, 2021, to provide you with a proper and comprehensive response that would address the errors we have detected in your report and provide additional information. This date would be consistent with the initial extension I had sought on receipt of your first draft report and prior to receiving your second draft report.
Again, I wish to emphasize that the Premier's Office and I hold you, your office and your staff in the highest regard and we respect your obligations and ours under the laws of the land. No discourtesy was ever intended to you or your office, as we are simply trying to do our best with the limited resources available to us.
I thank you for your understanding and I wish you God's Blessings.

Carolyn O'Neal Morton, PhD
Permanent Secretary

Premier's Office
Government of the Virgin Islands
3rd Floor Cutlass Tower | Road Town, TORTOLA | BRITISH VIRGIN ISLANDS
Telephone: (284) 468 2152 | Email: [redacted] | Website: www.bvi.gov.vg

Re: Draft Audit Reports

Sonia Webster <[redacted]>
Fri 6/18/2021 12:16 PM
To: Dr. Carolyn O'Neal-Morton <[redacted]>
Good Morning Dr. O'Neal-Morton,

The finalisation date for the reports will be Monday 21 June. We should receive your response no later than that date.

Best Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email: [redacted]
Tel: (284)468-4144

From: Dr. Carolyn O'Neal-Morton <[redacted]>
Sent: Friday, June 18, 2021 11:34 AM
To: Sonia Webster <[redacted]>
Subject: Re: Draft Audit Reports

Good day Mrs. Webster:
Please clarify the information for me.

Your email on June 16th, 2021, states that ..."**Please let me have your response to both reports by Monday 21 June 2021. After that date the reports will be finalised. "**

However, your email of June 17th, 2021, states..."**Please note that the reports will be finalised and issued at the end of 21 June 2021**.

I await your reply.

Regards,

Carolyn O'Neal Morton, PhD
Permanent Secretary

Premier's Office
Government of the Virgin Islands
3rd Floor Cutlass Tower | Road Town, TORTOLA | BRITISH VIRGIN ISLANDS
Telephone: (284) 468 2152 | Email: [redacted] | Website: www.bvi.gov.vg

From: Sonia Webster <[redacted]>
Sent: Thursday, June 17, 2021 6:04 PM
To: Dr. Carolyn O'Neal-Morton <[redacted]>
Subject: Re: Draft Audit Reports

Good Afternoon Dr O'neal-Morton,

We look forward to receiving your response. Please note that the reports will be finalised and issued at the end of 21 June 2021.

Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email: [redacted]
Tel: (284)468-4144

From: Dr. Carolyn O'Neal-Morton <[redacted]>
Sent: Thursday, June 17, 2021 9:05 AM
To: Sonia Webster [redacted]
Subject: Re: Draft Audit Reports

Good morning Ms. Webster:

I thank you for your response.

I appreciate the extension given and will endeavour to meet that deadline.

However, I must emphasize that in light of our Office's current capacity and responsibilities, that these are not typical times as you stated.

Regards,

Carolyn O'Neal Morton, PhD
Permanent Secretary

Premier's Office
Government of the Virgin Islands
3rd Floor Cutlass Tower | Road Town, TORTOLA | BRITISH VIRGIN ISLANDS
Telephone: (284) 468 2152 | Email: [redacted] | Website: www.bvi.gov.vg

---

From: Sonia Webster <[redacted]>
Sent: Wednesday, June 16, 2021 10:57 AM
To: Dr. Carolyn O'Neal-Morton <[redacted]>
Subject: Re: Draft Audit Reports

Good Morning Dr. O'neal-Morton,

The typical response period for draft reports such as this is two weeks. We need to complete assignments in a timely manner to allow us to proceed with our work programme.

Please let me have your response to both reports by Monday 21 June 2021. After that date the reports will be finalised.

Best Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email: [redacted]
Tel: (284)468-4144

From: Dr. Carolyn O'Neal-Morton <[redacted]>
Sent: Monday, June 14, 2021 7:54 PM
To: Sonia Webster <[redacted]>
Subject: Re: Contact

Good evening
Thanks for your response.
I tried to contact you to request of you more time to have the response as I am currently fulfilling several requests from the Col. I got two of them today.
I also indicated to you previously that we are short staffed. Currently, I do not have neither of my two Deputy Secretaries in office. Additionally, other senior staff had to take their annual leave.
We are working on the response, but it does not seem possible for tomorrow. Considering that my Office also has to respond to a second request from your Office, this is proving to be quite a challenge.
I would like you to consider giving us an extra week on each of the responses so that we can give a meaningful response.
I appreciate your consideration and understanding in this matter.

Regards,
Carolyn O'Neal Morton PhD
Permanent Secretary
Premier's Office

Get Outlook for iOS

From: Sonia Webster <[redacted]>
Sent: Monday, June 14, 2021 6:40:48 PM
To: Dr. Carolyn O'Neal-Morton <[redacted]>
Subject: Re: Contact

Good Afternoon Dr O'Neal-Morton,

You may send us your response via email. Alternatively, this can be hand delivered to our office by courier.

Best Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email: [redacted]
Tel: (284)468-4144

From: Dr. Carolyn O'Neal-Morton <[redacted]>
Sent: Monday, June 14, 2021 11:35 AM
To: Sonia Webster <[redacted]>
Subject: Contact

Good morning Mrs. Webster:

I hope that this email finds you well.

I tried to make contact with you last week regarding the Farmers and Fishermen stimulus.

Can you please give me a call so that I can discuss the matter of submitting the feedback with you ?

I appreciate your attention and cooperation.

Regards,

Carolyn O'Neal Morton, PhD
Permanent Secretary

Premier's Office
Government of the Virgin Islands
3rd Floor Cutlass Tower | Road Town, TORTOLA | BRITISH VIRGIN ISLANDS
Telephone: (284) 468 2152 | Email: [redacted] | Website: www.bvi.gov.vg

GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office

MEMORANDUM

REF: PO/H1/013

FROM: Permanent Secretary, Premier's Office

TO: Auditor General

DATE: 15th June, 2021

SUBJECT: **Draft Audit Report – Stimulus Grants – Farmers and Fishermen**

I refer to my letters dated 31st May, 2021 and 14th June, 2021 and email dated 14th June, 2021.

The Premier's Office has a significant capacity issue that is posing several challenges in meeting your deadlines of 15th and 19th June, 2021. The capacity issue is not only in terms of manpower, but in terms of the high demands of request by the Commission of Inquiry (CoI) with challenging deadlines, coupled with our daily functions of the office.

In addition, we also have to deal with requests from the House of Assembly (HOA) to furnish detailed information. All of these requests require significant attention and resources.

In this vein, I humbly and respectfully appeal to you once again to allow an extension of one (1) week for each request.

I await your favourable response.

Regards,

[redacted]

Carolyn O'Neal-Morton, PhD
Permanent Secretary

:tms

pc: Attorney General

Tel: (284) 468-2152/2352 Fax: (284) 468-3294 Email: premieroffice@gov.vg www.bvi.gov.vg

Re: Draft Audit Report - Stimulus Grants - Farmers and Fishermen

Sonia Webster <[redacted]>
Mon 5/31/2021 5:06 PM
To: Tamesha Smith <[redacted]>
Cc: Dr. Carolyn O'Neal-Morton <[redacted]>; Carolyn Stoutt-Igwe <[redacted]>; Theodore James <[redacted]>; Jeremiah Frett <[redacted]>

Good Afternoon Miss Smith,

My apologies for the confusion. The extended date is **15 June 2021**.

Best Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email:[redacted]
Tel: (284)468-4144

From: Tamesha Smith <[redacted]>
Sent: Monday, May 31, 2021 3:52 PM
To: Sonia Webster <[redacted]>
Cc: Dr. Carolyn O'Neal-Morton <[redacted]>; Carolyn Stoutt-Igwe <[redacted]>; Theodore James <[redacted]>; Jeremiah Frett <[redacted]>
Subject: Re: Draft Audit Report - Stimulus Grants - Farmers and Fishermen

Dear Ms. Webster,

Thank you for your email.

On behalf of Permanent Secretary, as a point of clarity, your email gives a date of 15th May, 2021 which has already passed.

Can you please provide clarity regarding the date, so that we can move this forward.

I look forward to your response.

Kind regards,

Tamesha M. Smith (Ms.)
Administrative Officer
Personal Assistant to the Permanent Secretary

Premier's Office | 2nd Floor, Cutlass Tower | Road Town, TORTOLA VG1110 | BRITISH VIRGIN ISLANDS
Telephone: (284) 468 2085 | **Email:** [redacted] | **Website:** www.bvi.gov.vg

GOVERNMENT OF THE VIRGIN ISLANDS
Premier's Office

"Every day may not be good, but there's something good in every day" - Alice Morse Earle

---

From: Sonia Webster <[redacted]>
Sent: Monday, May 31, 2021 3:24 PM
To: Tamesha Smith <[redacted]>
Cc: Dr. Carolyn O'Neal-Morton <[redacted]>; Carolyn Stoutt-Igwe <[redacted]>; Theodore James <[redacted]; Jeremiah Frett <[redacted]>
Subject: Re: Draft Audit Report - Stimulus Grants - Farmers and Fishermen

Dear Dr. O'Neal-Morton,

Thank you for your correspondence dated 31 May 2021.

We appreciate the gravity of the COI and the urgency of attending to its requests. In light of this we are able to extend the response date to **15 May 2021**. We look forward to receiving your response (and supporting evidence) as this will allow for the items identified as inaccurate in the report to be corrected.

Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email: [redacted]
Tel: (284)468-4144

From: Tamesha Smith [redacted]
Sent: Monday, May 31, 2021 10:05 AM
To: Sonia Webster <[redacted]>
Cc: Dr. Carolyn O'Neal-Morton [redacted]>; Carolyn Stoutt-Igwe <[redacted]>; Theodore James <[redacted]>; Jeremiah Frett <[redacted]>
Subject: Draft Audit Report - Stimulus Grants - Farmers and Fishermen

Dear Ms. Webster,

On behalf of Permanent Secretary, Dr. Carolyn O'Neal-Morton, please see the attached per subject at caption for your kind information.

Most appreciated if you can confirm receipt of this email and the contents therein.

Regards,

Tamesha M. Smith (Ms.)

Administrative Officer
Personal Assistant to the Permanent Secretary

Premier's Office | 2nd Floor, Cutlass Tower | Road Town, TORTOLA VG1110 | BRITISH VIRGIN ISLANDS
Telephone: (284) 468 2085 | **Email:** [redacted] | **Website:** www.bvi.gov.vg

GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office

"Every day may not be good, but there's something good in every day" - Alice Morse Earle

GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office

Government of the Virgin Islands
Central Administration Complex
#33 Admin Drive
Road Town, TORTOLA VG1110
VIRGIN ISLANDS

Our Ref: PO/H1/013

31st May, 2021

Ms. Sonia M. Webster
Auditor General
Office of the Auditor General
Government of the Virgin Islands
Road Town, TORTOLA VG1110
BRITISH VIRGIN ISLANDS

Via Email: [redacted]

Dear Ms. Webster:

Draft Audit Report – Stimulus Grants – Farmers and Fishermen

I write to you in reference to your email of 25th May, 2021, and in furtherance of our telephone conversation on Thursday, 27th May, 2021, on the above captioned subject.

I wish to reiterate, first of all, that no discourtesy was intended to you or your office as it relates to your office's request for access to records and information on the said subject. The Premier's Office is unreservedly committed to assisting your office in fulfilling your Statutory and Constitutional responsibilities. Our shortcomings in providing a timely response to your requests are truly regretted.

As I intimated in our telephone conversation, the Office of the Premier – and all Ministries generally – has been overwhelmed over the past few months attending to the demands for information by the ongoing Commission of Inquiry. You would appreciate that the Commission has been established for a limited period and has impressed upon everyone the importance of providing requested information within certain short timeframes. Already, the Government of the Virgin Islands has furnished the Commission with approximately 5,000 documents, comprising over 85,000 pages, and more documents are continually being requested from us – some of which were ravaged by Hurricane Irma in 2017 and others displaced from the normal filing system in the aftermath.

You would also appreciate that the gravity of this Inquiry is such that the reputation of the Virgin Islands, its Government and its Governance system are under close scrutiny before the international media and the world audience. The potential negative consequences of failing to efficiently and effectively assist the Commission, errors and oversights in submitted documents, and other avoidable and unavoidable errors, can have deep and damaging implications on the Territory's governance and our economy.

I say this to underscore the rationale for the level of priority that had to be given to the ongoing Commission of Inquiry, as opposed to all other matters and to re-emphasize that the Premier's Office intended no discourtesy to you or your office, and that we are mindful of the obligations, both by ourselves in the Premier's Office and by the Office of the Auditor General, under the Statute and the Constitution.

As I also mentioned in our telephone conversation, the above demands are occurring at a time when the Office of the Premier is severely short-staffed in certain key areas. For instance, at present, the Office of the Premier is without a Deputy Secretary. One Deputy has been pulled away to fill a gap at the Governor's Office and the other needed to go on leave.

The Audit of the COVID-19 stimulus programmes is indeed a very important and commendable initiative. As I indicated prior, the Premier's Office wishes to cooperate fully with this exercise. We recognize and appreciate that the interest of the public and all stakeholders is best served by

GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office

Government of the Virgin Islands
Central Administration Complex
#33 Admin Drive
Road Town, TORTOLA VG1110
VIRGIN ISLANDS

an audit exercise that is based on all available data and which accurately reflects events as they have occurred.

In order for the Premier's Office to properly study the contents of the draft Audit Report which you forwarded on 25th May, 2021, and to provide a meaningful response, the Office of the Premier would require some additional time beyond your 8th June, 2021, deadline. I would therefore like to formally request a three-week extension to your initial deadline, for which I do thank you based on our telephone conversation.

I would also like to take this opportunity to point out that in a cursory scan of the draft Audit Report, I did detect some items of information which to my knowledge are inaccurate. I therefore wish to have my technical officers thoroughly review the document so that the contents can be properly verified and corrected where necessary.

I also ask that you keep it in mind that, according to the advice given to me by the technical staff, the distribution of stimulus funds in various programmes is still ongoing. The internal auditing for these programmes has not been concluded as yet. Additionally, the Premier's Office is investigating the claims surrounding a purported list of recipients of COVID-19 stimulus grants that has been circulating on social media platforms – which purported list has been determined not to be accurate and therefore its circulation seems to be a matter of public mischief.

In closing, I wish to thank you for your understanding and patience in this matter, and to reiterate the commitment of the Premier's Office to ensuring an accurate audit and audit report.

Yours sincerely,

[redacted]

Carolyn O'Neal-Morton, PhD
Permanent Secretary

pc: Financial Secretary
Permanent Secretary, MECYAF&A
Director, Department of Agriculture and Fisheries

Tel: (284) 468-2152/2352 Fax: (284) 468-3294 Email: premieroffice@gov.vg www.bvi.gov.vg

RESTRICTED: DRAFT AUDIT REPORT on COVID 19 Stimulus Grants to Farmers and Fisherfolk

Sonia Webster <[redacted]>
Tue 5/25/2021 6:43 PM
To: Dr. Carolyn O'Neal-Morton <[redacted]; Carolyn Stoutt-Igwe[redacted]Theodore James <[redacted]>
Cc: Jeremiah Frett <[redacted]>

1 attachments (3 MB)
DRAFT AUDIT REPORT - COVID-19 Stimulus Grants to Farmers and Fishermen.pdf;

To: Permanent Secretary Premier's Office; Permanent Secretary Agriculture and Fisheries; Director of Agriculture and Fisheries

Cc: Financial Secretary

Good Afternoon Permanent Secretaries and Director,

Attached for your review is the **Draft report** on the above captioned subject. Please let me have your comments on the contents of the same by 8 June 2021. If we have not received your comments by that date, it will be considered that the contents of the report have been fully accepted and a final report will be issued.

Please note that changes will be made to the report only where evidence is presented demonstrating the need for an amended.

Best Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email:[redacted]
Tel: (284)468-4144

Re: Audit of Government's COVID-19 Stimulus Funds

Sonia Webster <[redacted]>
Wed 3/10/2021 4:30 PM
To: Dr. Carolyn O'Neal-Morton <[redacted]>
Cc: Kenrick Grant <[redacted]>; Amoret Davies <[redacted]>; Clayton O'Neal <[redacted]>; Tamesha Smith <[redacted]>

Thank you Dr O'neal-Morton.

In the meantime, can you please provide access to the Trade (and other) databases as these do not need preparation. The auditors can commence working with these immediately.

Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email:[redacted]
Tel: (284)468-4144

From: Dr. Carolyn O'Neal-Morton <[redacted]>
Sent: Wednesday, March 10, 2021 1:04 PM
To: Sonia Webster <[redacted]>
Cc: Kenrick Grant <[redacted]>; Amoret Davies <[redacted]>; Clayton O'Neal <[redacted]>
Subject: Re: Audit of Government's COVID-19 Stimulus Funds

Dear Mrs. Webster:
Sorry for the delay in responding. We will supply the information once it is ready.
Can you please copy my PA , Tamesha Smith on the emails. Thanks very much.

Regards,
Carolyn O'Neal Morton PhD
Permanent Secretary
Premier's Office

From: Sonia Webster <[redacted]>
Sent: Monday, February 22, 2021 1:25 PM
To: Dr. Carolyn O'Neal-Morton <[redacted]>
Cc: Kenrick Grant <[redacted]>; Amoret Davies <[redacted]>; Clayton O'Neal <[redacted]>
Subject: Re: Audit of Government's COVID-19 Stimulus Funds

Good Afternoon Dr O'neal-Morton,

Thank you for the below email. To facilitate commencement of the process our office can receive the same information and access to databases and files afforded to the Internal Audit. Additional information will be requested as required.

Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email: [redacted]
Tel: (284)468-4144

In accordance with section 109(4) of the Virgin Islands Constitution the Auditor General acts independently and is not subject to the direction or control of any other person or Authority.

From: Dr. Carolyn O'Neal-Morton <[redacted]>
Sent: Wednesday, February 17, 2021 8:33 PM
To: Sonia Webster <[redacted]>
Cc: Kenrick Grant <[redacted]>; Amoret Davies <[redacted]>; Clayton O'Neal <[redacted]>
Subject: Re: Audit of Government's COVID-19 Stimulus Funds

Good evening Mrs Webster:
I acknowledge receipt of your email. I noticed that you have indicated in your correspondence that you do not want the process to be disruptive to the office. I appreciate and accept that.
We are currently working with Internal Audit and focusing on getting queries addressed that that Office requested.
It is my aim to cooperate with your Office , but it will be quite challenging and unusual to deal with two audit bodies simultaneously.
As I previously stated, all reports will be sent to you and meetings will be organized.
I hope that along with our regular schedule, that we will be able to finalize the stimulus packages very shortly so that we can conclude this exercise.
Regards,
Carolyn O'Neal Morton PhD
Permanent Secretary
Premier's Office
Get Outlook for iOS

From: Sonia Webster <[redacted]>
Sent: Wednesday, February 17, 2021 3:47:57 PM
To: Dr. Carolyn O'Neal-Morton <[redacted]>
Cc: Kenrick Grant <[redacted]>; Amoret Davies <[redacted]>; Clayton O'Neal <[redacted]>
Subject: Re: Audit of Government's COVID-19 Stimulus Funds

Good Afternoon Dr O'Neal-Morton,

Further to my e-mail below, please advise when we will receive the requested information and provide us with the name of a liaison to facilitate the audit process.

Regards,

Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email: [redacted]
Tel: (284)468-4144

In accordance with section 109(4) of the Virgin Islands Constitution the Auditor General acts independently and is not subject to the direction or control of any other person or Authority.

From: Sonia Webster <[redacted]>
Sent: Friday, January 29, 2021 10:58 AM
To: Dr. Carolyn O'Neal-Morton <[redacted]>
Cc: Kenrick Grant <[redacted]>; Amoret Davies <[redacted]>; Clayton O'Neal <[redacted]>
Subject: Re: Audit of Government's COVID-19 Stimulus Funds

Good Morning Dr O'neal-Morton

We understand the programmes are **ongoing,** this does not preclude our office from examining the government's activities **all** of which fall within our purview. Internal Audit and our office perform different functions, our mandates are different so are our reporting lines. Please be guided.

Please also note that we plan our work to ensure that it does not interfere with the processes of your offices. Our access is on the data bases is **"view only"** which preserves the integrity of the information. If there are specific concerns you can address these to me.

Please advise when we can receive the information requested below. Our request involves **Government information** this is within our Constitutional mandate.

Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email: [redacted]
Tel: (284)468-4144

In accordance with section 109(4) of the Virgin Islands Constitution the Auditor General acts independently and is not subject to the direction or control of any other person or Authority.

From: Dr. Carolyn O'Neal-Morton <[redacted]>
Sent: Friday, January 29, 2021 8:21 AM

To: Sonia Webster <[redacted]>
Cc: Kenrick Grant <[redacted]>; Amoret Davies <[redacted]>; Clayton O'Neal <[redacted]>; Dr. Carolyn O'Neal-Morton <[redacted]>
Subject: Re: Audit of Government's COVID-19 Stimulus Funds

Dear Mrs. Webster:

I acknowledge receipt of your email. Additionally, I would like to bring to your attention that my name should be written as Dr. Carolyn O'Neal Morton.. Please ensure that in future correspondence such will be done, particularly the correct spelling of O'Neal.

With reference to the Stimulus packages, all of the programmes within the Premier's Office are still **ongoing**. We have been and are in contact with the Internal Audit Department, and they are currently in communication with us, advising and guiding us **during the process.**

As I indicated to Mr. Grant, whenever the process is complete, the Reports will be sent to your Office.

Regards,
Carolyn O'Neal Morton PhD
Permanent Secretary
Premier's Office

From: Sonia Webster <[redacted]>
Sent: Wednesday, January 27, 2021 1:07 PM
To: Dr. Carolyn O'Neal-Morton <[redacted]>
Cc: Kenrick Grant <[redacted]>; Amoret Davies [redacted]
Subject: Fw: Audit of Government's COVID-19 Stimulus Funds

Good Afternoon Mrs Oneal Morton,

Reference is made to my email dated 10 December 2020 below. As we await your assignment of a contact person for this audit, please provide us with the following:

1. Electronic copies of all contracts issued for the Covid-19 programmes administered by the Premier's Office.
2. Access to all applicant data bases for the various Covid-19 Programmes undertaken by the Premier's Office and its Departments.
3. Copy of the Guidance and criteria used in administering the various programmes. This should address eligibility, approval process and amounts awarded.
4. Other relevant information that may assist this process.

The information can be sent to Audit Manager Mr Kenrick Grant [redacted] and copied to myself. Mr Grant will be making contact to arrange for an interview.

Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email: [redacted]

Tel: (284)468-4144

In accordance with section 109(4) of the Virgin Islands Constitution the Auditor General acts independently and is not subject to the direction or control of any other person or Authority.

From: Sonia Webster
Sent: Thursday, December 10, 2020 4:40 PM
To: Carolyn Oneal-Morton <[redacted]
Subject: Audit of Government's COVID-19 Stimulus Funds

Good Afternoon Mrs Morton

As you are aware the Audit Office is undertaking an ongoing review of the Territory's application of its COVID-19 stimulus funds.

This review will require an examination of all related documents, files and records at the Premier's Office as well as interviews with individuals who were instrumental in administering and assisting the COVID-19 relief processes.

The lead auditor on this assignment is Mr Kenrick Grant. Please provide me with the name of an individual within the Ministry to serve as liaison for providing information and assistance required by the audit staff in carrying out their duties.

I am enclosing excerpts of the Constitution and the Audit Act which address the Audit Office's mandate to access public property and information. You may share this with your staff.

Should you have any questions concerns regarding the foregoing I can be reached at by telephone [redacted] or by return email [redacted]

Regards,
Sonia M Webster
Auditor General
Office of the Auditor General
British Virgin Islands
email:[redacted]
Tel: (284)468-4144

In accordance with section 109(4) of the Virgin Islands Constitution the Auditor General acts independently and is not subject to the direction or control of any other person or Authority.

GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office

MEMORANDUM

REF: PO/A1/009

FROM: Permanent Secretary, Premier's Office

TO: Attorney General

DATE: 15th June, 2021

SUBJECT: **Request for Legal Advice**

Please refer to my correspondence dated 9th February, 2021 requesting legal guidance on the referenced matter. *(Copy attached for ease of reference)*

I am fully aware of your busy schedule and similar capacity issues that all ministerial departments are facing with regards to the high demands being placed on us by the Commission of Inquiry (CoI), coupled with our regular functions.

However, the legal opinion is now urgent as the Auditor General in a Draft Report is stating that the Premier's Office has refused to furnish information, when in fact the Premier's Office was under the notion that the Internal Audit upon completion of the monthly audits as directed by Cabinet would suffice until the initiative is closed off. Subsequently, the Auditor General would then proceed to do a post Audit.

Given this, our office wrote to your office on 9th February, 2021, to receive clarity of the law that would guide our conduct. The Premier's Office has no intention of acting or being seen as not acting within the confines of the law. Clarity in this respect is needed for both the records of the Auditor General and the Premier's Office.

I await your reply.

Regards,

[redacted]

Carolyn O'Neal-Morton, PhD
Permanent Secretary

:tms

pc: Auditor General

Tel: (284) 468-2152/2352 Fax: (284) 468-3294 Email: premieroffice@gov.vg www.bvi.gov.vg

GOVERNMENT OF THE
VIRGIN ISLANDS
Premier's Office

MEMORANDUM

REF: PO/A1/009

FROM: Permanent Secretary, Premier's Office

TO: Attorney General

DATE: 9th February, 2021

SUBJECT: **Auditor General Act & Public Finance Management Act**

Please advise of the sequential process for providing information to the Auditor General. In particular, whether the Laws of the Virgin Islands allows the Auditor General to act prior to the Government's internal auditing process being completed.

Accordingly, the Premier's Office is in need of your legal opinion on how to proceed so that the proper procedural process could be applied and instituted going forward.

Thank you in advance for your most timely response.

Regards,

[redacted]

Carolyn O'Neal-Morton, PhD
Permanent Secretary

:tms

pc: Financial Secretary

Tel: (284) 468-2152/2352 Fax: (284) 468-3294 Email: premieroffice@gov.vg www.bvi.gov.vg

MEMORANDUM

Rec'd June 25 @ 3:02 pm [redacted]

FROM: Attorney General

Our Ref: AGC SS 5/1/1/4

TO: Permanent Secretary, Premier's Office

DATE: 25th June, 2021

Re: Request for Legal Advice

Reference is made to caption and to your Memorandums dated 9th February 2021 and 15th June, 2021.

Please be guided accordingly.

Sincerely,

[redacted]

Principal Crown Counsel
(for) Attorney General