

2022

AUDIT OF THE PUBLIC ACCOUNTS NEVIS ISLAND ADMINISTRATION



National Audit Office
ST. KITTS AND NEVIS





***ST. KITTS AND NEVIS
NATIONAL AUDIT OFFICE***

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Honourable Mark Brantley
Premier and Minister of Finance
Nevis Island Administration
Pinneys Estate
Nevis

Sir,

Pursuant to section 76 (4) of the Saint Christopher and Nevis Constitution Order 1983, I have the honour of submitting my report on the Accounts of the Administration for tabling in the Nevis Island Assembly.

This Audit Report is on the Accounts for the fiscal year ending December 31, 2022.

Respectfully submitted,

Tanisha Mills
On Behalf of the
Director of Audit
24th November, 2023



St. Kitts and Nevis

National Audit Office

Report by the Director of Audit

On the Public Accounts

Of the Nevis Island Administration

For the year 2022

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1. INTRODUCTION

The Public Accounts of the Nevis Island Administration for the year ended December 31, 2021 along with the Audit Report on those accounts, were forwarded to Honourable Premier on July 5, 2023 as required by sections 76 (4) and 108 (2) of the Saint. Christopher and Nevis Constitution Order 1983, and section 8 of the Audit Act, 1990. Those Accounts along with the Audit Report were tabled in the Nevis Island Assembly on July 6th, 2023.

The Public Accounts of the Nevis Island Administration are prepared by the Treasurer in the Treasury Department and submitted to the National Audit Office to be audited by the Director of Audit in accordance with Section 57 (2) (a) of the Financial Administration Act.

Accounting Policies Used:

These accounts have been prepared in compliance with Part 1 of the International Public Sector Accounting Standards (IPSAS) for Budgetary Entities (Cash Basis).

IPSAS 1 requires the presentation of a statement of Receipts and Payments which recognizes all cash receipts and payments, the presentation of cash balances controlled by the entity, accounting policies and explanatory notes. IPSAS 1 also requires comparison of budget and actual amounts for an approved budget that has been made publicly available.

The Public Accounts are also prepared in accordance with the provisions of section 57 of the Finance Administration Act, 2007 of St. Christopher and Nevis.

The Public Accounts have been prepared using the cash basis of accounting which records the actual flow of cash. Revenue is recorded when cash is received, and expenditure is recorded when cash is paid out. The statements provide information on the sources and uses of cash, for the various functional Activities of Operating, Investing and Financing done by the Administration. The Public Accounts have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

The following statements in respect of the financial year 2022 were submitted for Audit examination:

1. Statement of Receipts and Payments
2. Statement of Comparison of Budget and Actuals
3. Statement of Revenue and Expenditure
4. Statement of Financial Assets and Liabilities
5. Summary of Recurrent Revenue
6. Summary of Capital Expenditure
7. Summary of Recurrent Expenditure
8. Statement of Public Debt
9. Notes to the Financial Statements

Timeliness:

Section 57 (2) of the Finance Administration Act requires that the Accountant General shall within six (6) months after the end of each financial year:

- a) Prepare the Public Accounts for that financial year in accordance with the generally accepted accounting principles as determined by the Minister, accounting for all public money and showing fully the financial position of Saint Christopher and Nevis at the end of that financial year;
- b) Certify the Public Account; and
- c) Submit to the Director of Audit as many copies of the Public Accounts as the Director of Audit may require.

The Treasury department has made good progress in the preparation of the Annual Accounts and brought the accounts up to date. In fact, efforts were made to complete the 2022 financials by July 2023.

Appropriations:

The original budget was approved by legislative action in the Nevis Island Assembly with the passing of the Appropriation Act on December 7, 2021 for the 2022 budget. This action authorized the provision of funds for expenditure by the various Ministries from the Consolidated Fund in accordance with Section 27 (3) of the Finance Administration Act, 2007.

Opinion in the Financial Statements

Opinion

I have audited the Public Accounts of the Nevis Island Administration, which comprise the Statement of Financial Assets and Liabilities as at December 31, 2022, the Statement of Revenue and Expenditure, the Statement of Cash Receipts and Payments, the Statement of Comparison of Budget and Actual Amounts and the Notes to the Financial Statements including Accounting Policies.

In our opinion, the Financial Statements and Notes presented in the Public Accounts present fairly, in all material respects, the financial position of the Nevis Island Administration as at December 31, 2022.

Basis for Opinion

The audit was conducted in accordance with generally accepted auditing standards. The Director of Audit's responsibilities under those standards are further described in the Director of Audit's Responsibilities for the Audit of Public Accounts section of this report. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the above audit opinion.

Responsibility of the Treasurer

The presentation of statements, accounts and schedules of the Public Accounts are the responsibility of the Treasurer in fulfilment of Section 57 (4) of the Finance Administration Act, 2007 and the requirements of the Cash Basis of the International Public Sector Accounting Standards (IPSAS).

The Treasurer is also responsible for maintaining a system of internal controls to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Director of Audit's Responsibilities for the Audit of the Public Accounts

The Director of Audit's responsibility is to audit the Public Accounts, express an opinion based on the work conducted and report in accordance with section 76 (2) and (4) of the Constitution of the Federation of St. Christopher and Nevis and section 7 of the Audit Act Cap 20.01.

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

Submission of Report

In accordance with Section 76 (4) of the Constitution Order 1983 and Section 8 of the Audit Act No. 8 of 1990, we have audited the Public Accounts of the Nevis Island Administration for the year ended December 31, 2022. This report is being submitted to the Minister of Finance for presentation before the Nevis Island Assembly.

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Tanisha Mills

On behalf of the

Director of Audit

24th November, 2023.

2. NEVIS AUDIT OFFICE

Staffing:

I must place on record my gratitude for the sterling contribution, throughout the audit, rendered by the Staff of the Nevis Audit Office. During the period under review, there was no additional staff at the Nevis Audit Office. However, staffing remains a priority as it dampens the scope of audits that we undertake.

Budget:

In the fiscal year of 2022, the Nevis Audit Office received an expenditure budget of \$498,900 which included \$321,000 in salaries, wages, and allowances and \$177,900 in other expenditures.

The actual expenditure for the Nevis Audit Office amounted to \$371,811 which realized a savings of \$127,089 or 25% when compared to the budget provision. Major spending areas were Personal Emoluments of \$300,808 and Rental of Property of \$64,800.

Activities:

The Nevis Audit Office continues to participate in local, regional, and international activities as they arise, as the training of its staff is a top priority.

An officer participated in a workshop held by The Caribbean Regional Technical Assistance Centre (CARTAC) on the topic, “Value for Money (VFM) Performance Audit” in March.

In April, two officers participated in a workshop hosted by the Premier’s Ministry on the topic, “Financial Management.”

Two officers participated in a workshop held by The Caribbean Regional Technical Assistance Centre (CARTAC) on the topics, “Risk Assessment and Audit Universe” in April.

Two officers participated in a workshop facilitated by the Ministry of Human Resources on the topic, “Administrative Assistant Personal Training” in May.

Members of staff also took part in courses by the University of the West Indies Open Campus on topics, “Introduction to Data Analytic Tools” and “Effective Public Speaking and Presentation Skills”.

3. OVERVIEW OF THE PUBLIC ACCOUNTS

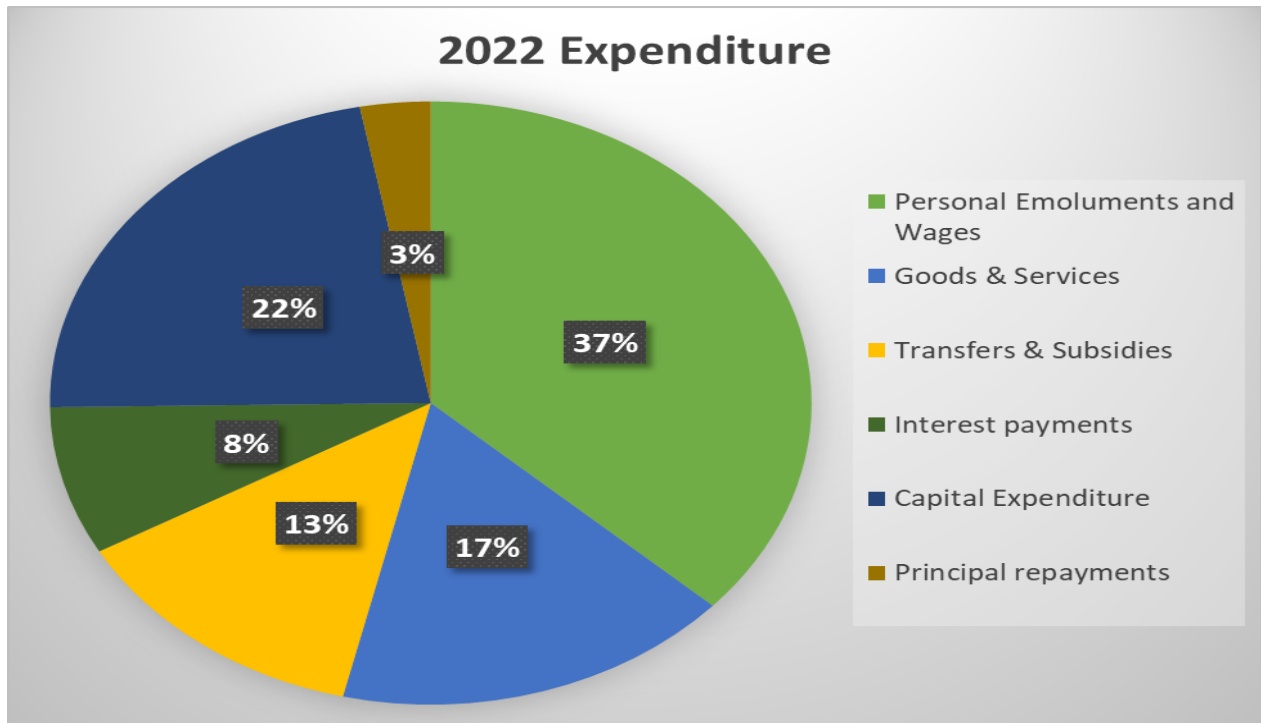
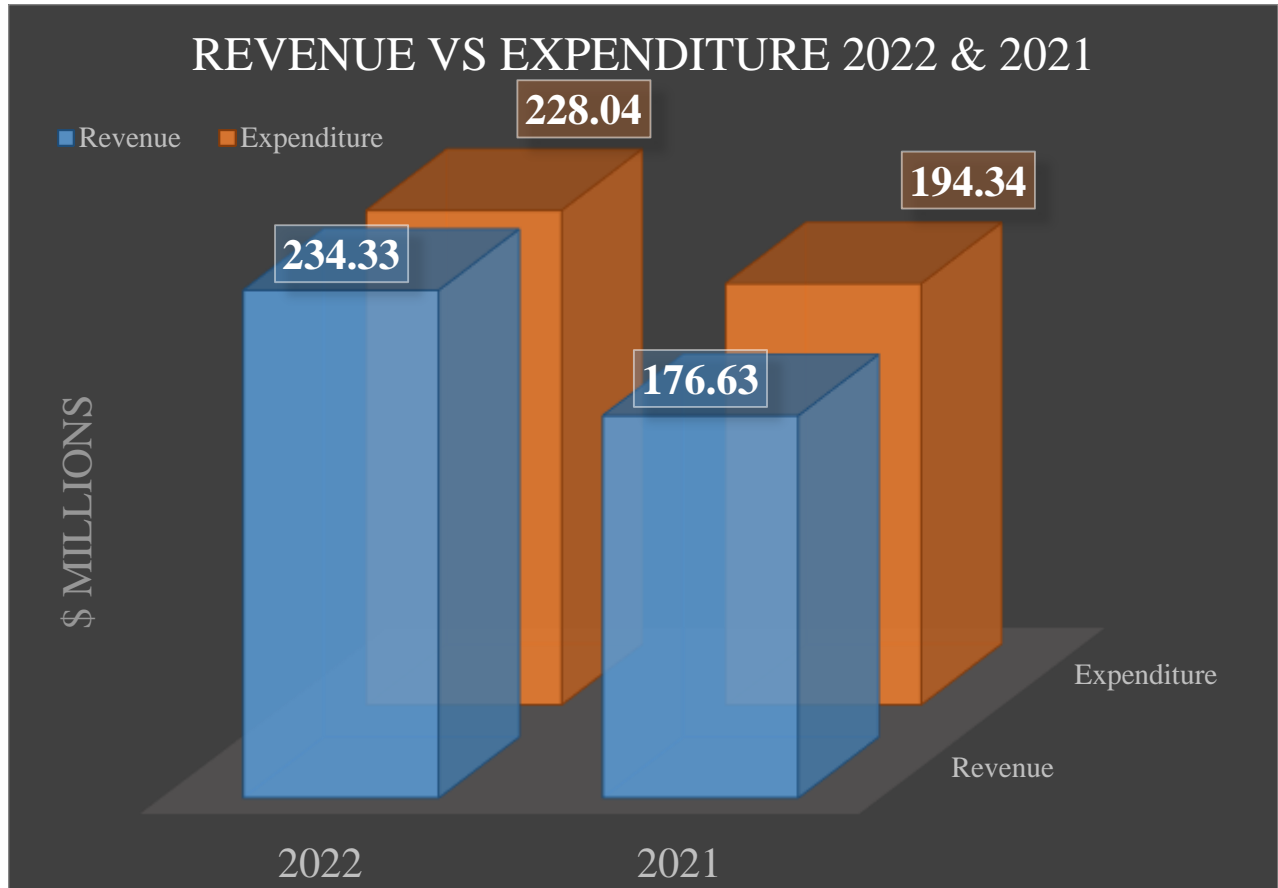
PERFORMANCE SUMMARY

The public accounts for the year ended December 31, 2022 disclosed an overall surplus of **\$6.29 million** (\$6,294,109). This is a significant improvement from the (\$17.71 million) deficit result in 2021. It can be noted that in recent times the Nevis Island Administration has made an overall surplus in 2020 of \$11.63 million and 2015 of \$4.08 million.

The Nevis Island Administration had approved an Estimated Overall Deficit of \$35.95 million (\$35,924,050). The recurrent account was projected to have a deficit of \$4,514,050 and the capital account’s deficit was projected at \$31.41 million. At the end of the fiscal year, the Statement of Revenue and Expenditure shows actual revenue collection totalled **\$234.33 million** comprising Recurrent Revenue of \$136,517,998 and Capital Revenue of \$97,811,557. The actual expenditure totalled **\$228.04 million** comprising Recurrent Expenditure of \$177,342,710 and Capital Expenditure of \$50,692,736 which resulted in the surplus mentioned of **\$6.29 million**.

In comparison to the previous fiscal year, the total expenditure for 2022 increased by \$33.70 million from the 2021 level; whereas total revenue increased by \$57.70 million. It can be noted in the results that expenditure on the recurrent account increased by \$22.72 million while the capital expenditure increased by \$10.97 million from the 2021 fiscal accounts. On the other hand, the recurrent revenue increased by \$16.80 million and capital revenue increased by \$40.89 million for the net increase in revenue as stated.

The following graphs and table represent the comparison of Revenue and Expenditure for the financial years 2022 and 2021 along with the broad categories.



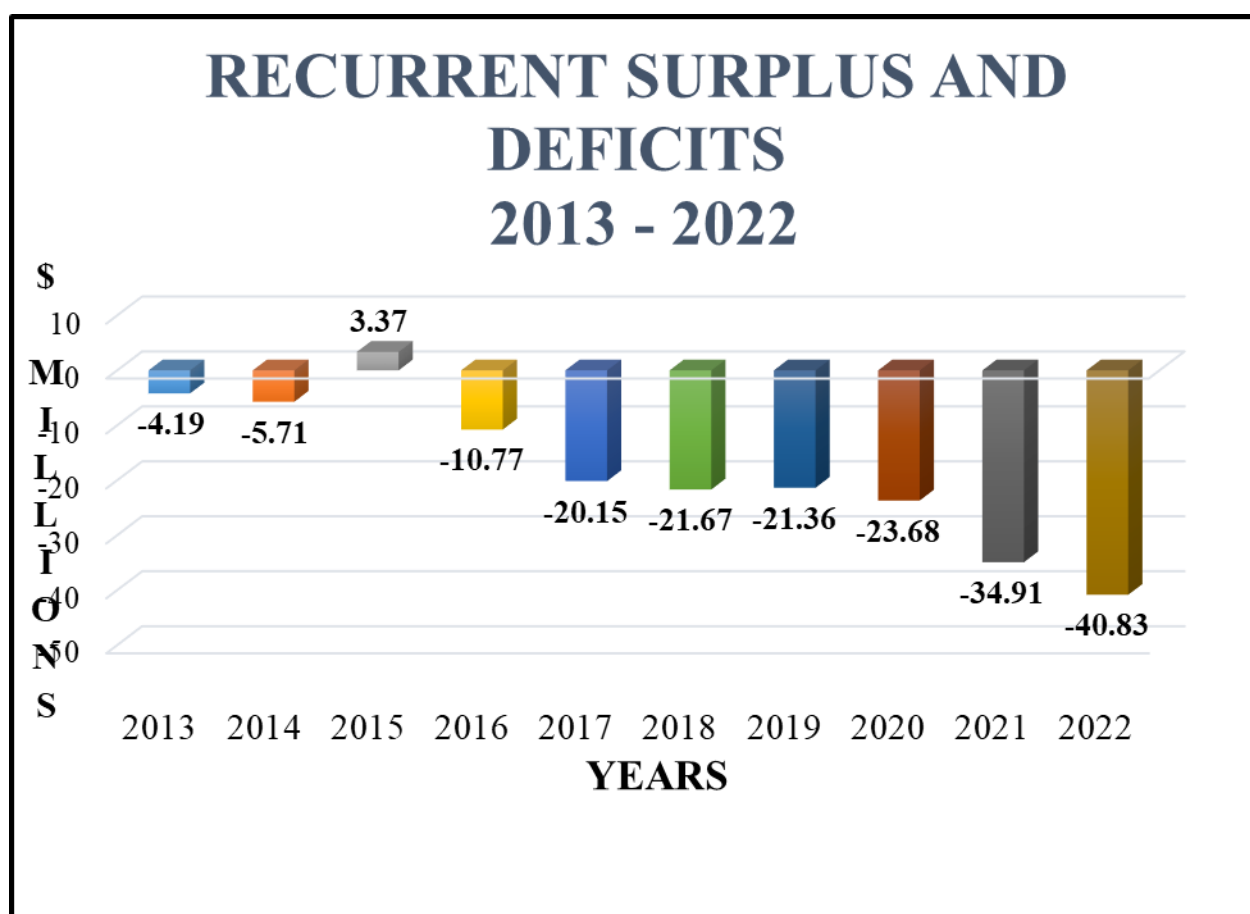
NEVIS ISLAND ADMINISTRATION		
STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED		
DECEMBER 31 2022		
	2022	2021
REVENUE	\$	\$
<i>Taxes on Income</i>	17,720,757	15,130,132
<i>Taxes on Property</i>	4,255,181	5,272,944
<i>Taxes on Domestic Goods and Consumption</i>	20,628,925	18,026,864
<i>Taxes on International Trade and Transactions</i>	63,101,863	48,923,584
<i>Non-Tax Revenue</i>	30,811,272	32,355,726
<i>Interest, Dividends & Currency</i>	0	0
<i>Capital Revenue</i>	97,811,557	56,919,289
Total Revenue	234,329,555	176,628,538
EXPENDITURE		
<i>Personal Emoluments and Wages</i>	(83,754,246)	(77,781,800)
<i>Goods and Services</i>	(38,722,838)	(35,359,894)
<i>Transfers and subsidies</i>	(29,887,515)	(22,228,143)
<i>Interest payments</i>	(18,165,008)	(15,578,692)
<i>Capital expenditure</i>	(50,692,736)	(39,723,772)
<i>Principal payments</i>	(6,813,104)	(3,667,152)
Total Expenditure	(228,035,446)	(194,339,455)
(DEFICIT)/SURPLUS	6,294,109	(17,710,917)

The Statement of Revenue and Expenditure presents the data by source of Revenue and by the classification of Expenditure. Taxes on Income shown in the table above would show that this revenue source increased by \$2.59 million or 17.1% from the previous year. It has now improve performance from its downward trend where in 2019 the amount collected was \$18.34 million, then \$17.36 million in 2020 and now \$15.13 million.

Attention can also be drawn to Taxes on International Trade and Transactions that have increased by \$14.18 million or 28.9% in comparison to 2021. Most of this increase resulted from a rise of some \$11.96 million in VAT collection.

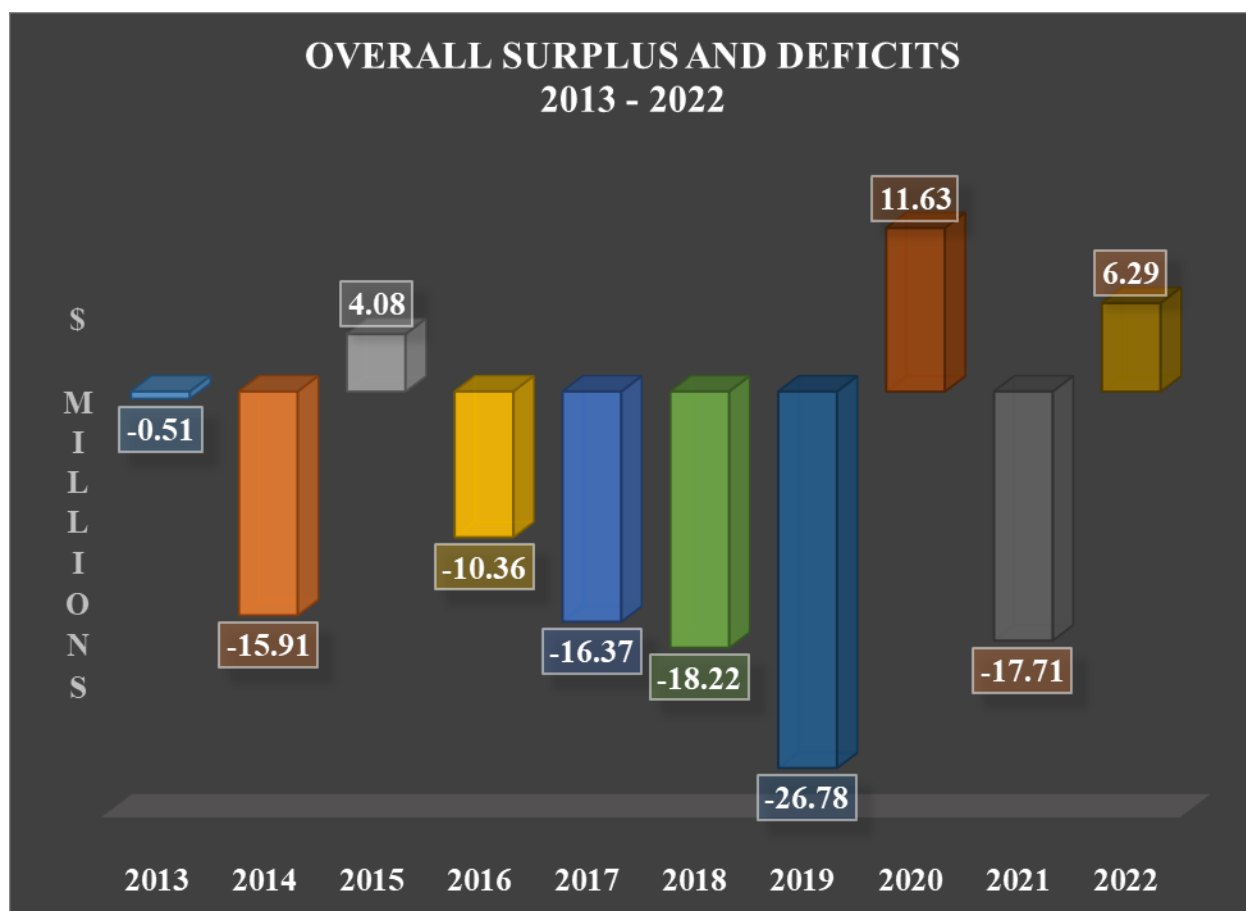
The actual expenditure in the current year increased by \$33.69 million or 17.3% over the previous financial year. Capital Expenditure shows the second largest area of expenditure and recorded an increase of \$10.96 million from the \$39.72 million spent in 2021. Goods and Services increased by some \$3.36 million or 9.5% over the 2021 amount of \$35.36 million.

The following graph shows the results on the Current account covering the ten years 2013 to 2022:



It can be noted that during the ten-year stretch, there was only one year that realized a surplus on the recurrent account and that was in 2015, with \$3.37 million. The accumulated Deficits on the recurrent account for these periods exceed \$183.27 million

The overall annual results of surpluses and deficits (Recurrent and Capital accounts) during the period 2013 to 2022 are shown in the following graph:



The historical data shows several years of Deficit results and only three years of surplus results. The surpluses are shown in 2015 of \$4.08 million, \$11.63 million in 2020 and \$6.29 million in 2022. The remaining seven (7) year period in the chart accumulated a total Grand Deficit of \$105.86 million, with the highest being in 2019 of \$26.78 million.

4. ANALYSIS OF THE FINANCIAL STATEMENTS

4.1 THE STATEMENT OF RECEIPTS AND PAYMENTS

The Statement of Receipts and Payments shows the cash receipts and payments of the Nevis Island Administration that is sub-classified by three broad activities, namely: Operating, Investing and Financing activities. This statement also shows the opening and ending balances of cash for 2022.

The following table presents a summary of these results with comparative data.

	2022	2021
Net Cash Flows:		
Operating Activities	(35,463,389)	(31,811,416)
Investing Activities	(43,417,639)	(40,383,750)
Financing Activities	<u>87,755,334</u>	<u>53,252,137</u>
Net increase/(decrease) in cash	8,874,306	(18,943,029)
Opening Cash Position	(160,450,982)	(141,507,953)
Yearend Cash Position	(151,576,676)	(160,450,982)

Net Cash Flow from Operating Activities

Receipts from operating activities totalled \$144.42 million in 2022 where Tax revenues collected accounted for 73.2% of the total receipts. Payments on operating activities totalled \$179.89 million with the highest contributor coming from Personal Emoluments and Wages of 46.5%. This resulted in a net cash outflow from operating activities of **(\$35.46)** million.

Net Cash Flow from Investing Activities

The receipts from investing activities were \$43.99 million from major sources like trust funds and other public funds. Payments totalled \$87.41 million which represented Capital Expenditure that contributed to 57.9% of these payments, for a resulting net cash outflow of **(\$43.42)** million.

Net Cash Flow from Financing Activities

The financing activities resulted in a net cash inflow of \$87.76 million, where \$94.57 million were from the proceeds from borrowings in 2022. Payments from financing activities totalled \$6.81 million which represented domestic and foreign loan principal payments.

The following is the entire statement of Receipts and Payments for 2022, with comparative data for 2021:

NEVIS ISLAND ADMINISTRATION STATEMENT OF RECEIPTS AND PAYMENTS AS AT 31 DECEMBER 2022

RECEIPTS	Notes	2022	2021
		\$	\$
Taxes on Income	1.14	17,720,757	15,130,132
Taxes on Property	1.14	4,255,181	5,272,944
Taxes on Domestic Goods and Consumption	1.14	20,628,925	18,026,864
Taxes on International Trade and Transactions	1.14	63,101,863	48,923,584
Budgetary Grants			
Utilities	1.15	5,325,106	6,435,676
Fines, Fees & Forfeitures	1.16	2,170,999	2,007,921
Postal Services	1.18	762,722	555,184
Other Receipts	1.19	22,552,446	23,356,945
Repayment of Personal Advances	1.30	31,226	20,250
Repayment of Subsistence Advances	1.30	2,459	1,639
Repayment of Other Government Advances	1.30	7,871,241	2,332,132
PAYMENTS			
Personal Emoluments and Wages	1.21	-83,754,246	-77,781,800
Goods and Services	1.22	-38,722,838	-35,359,894
Transfers and Subsidies	1.23	-29,887,515	-22,228,143

Interest Payments		-18,165,008	-15,578,692
Issuance of Personal Advances	1.30	-64,600	-8,300
Issuance of Subsistence Advances	1.30	0	0
Issuance of Other Government Advances	1.30	-9,292,107	-2,917,856

Net Cash Flows from Operating Activities		-35,463,389	-31,811,416
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CASH FLOWS FROM INVESTING ACTIVITIES

Receipts

Proceeds from sale of land and properties		0	0
Interest, Dividend and Currency	1.17	0	0
Capital Grants	1.20	3,243,120	0
Repayment of Other Advances		-	-
Returns on Investments		-	-
Receipts from Trust Funds	1.32	257,693	1,473,610
Receipts from Other Public Funds	1.33	40,495,611	29,968,665

Payments

Capital Expenditure		-50,692,736	-39,723,772
Net Lending			
Issuance of Other Advances			
Purchase of Investments			
Outflows from Trust Funds	1.32	-1,516,464	-2,882,883
Outflows from Other Public Funds	1.33	-35,204,862	-29,219,369

Net Cash Flows from Investing Activities		-43,417,639	-40,383,750
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CASH FLOWS FROM FINANCING ACTIVITIES

Receipts

Proceeds from borrowings - Foreign	1.20	0	0
Proceeds from borrowings - Domestic	1.20	94,568,437	56,919,289

Payments

Repayment of borrowings - Foreign	1.24	0	0
Repayment of borrowings - Domestic	1.24	-6,813,104	-3,667,152

Net Cash Flows from Financing Activities		87,755,334	53,252,137
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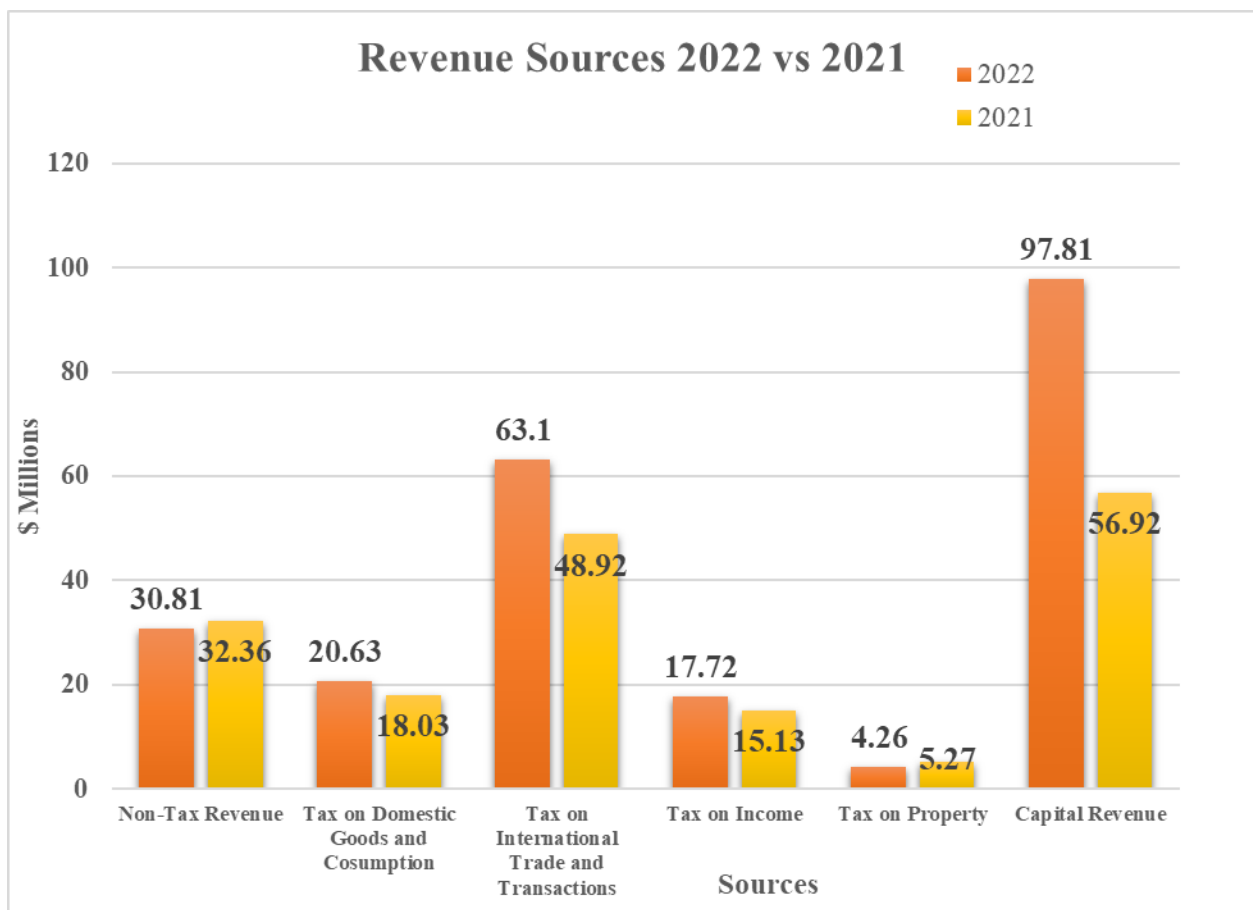
Net increase/(decrease) in cash		8,874,306	-18,943,029
Cash at the beginning of the period		-160,450,982	-141,507,953
Cash at the end of the period		-151,576,676	-160,450,982

4.2 STATEMENT OF REVENUE

Projected revenue for 2022 was \$148.12 million with the Recurrent account of \$131.37 million and Capital account of \$16.75 million. The total actual revenue sources on the Recurrent account generated \$136.52 million; and on the Capital account, it was \$97.81 million, for a total of \$234.33 million.

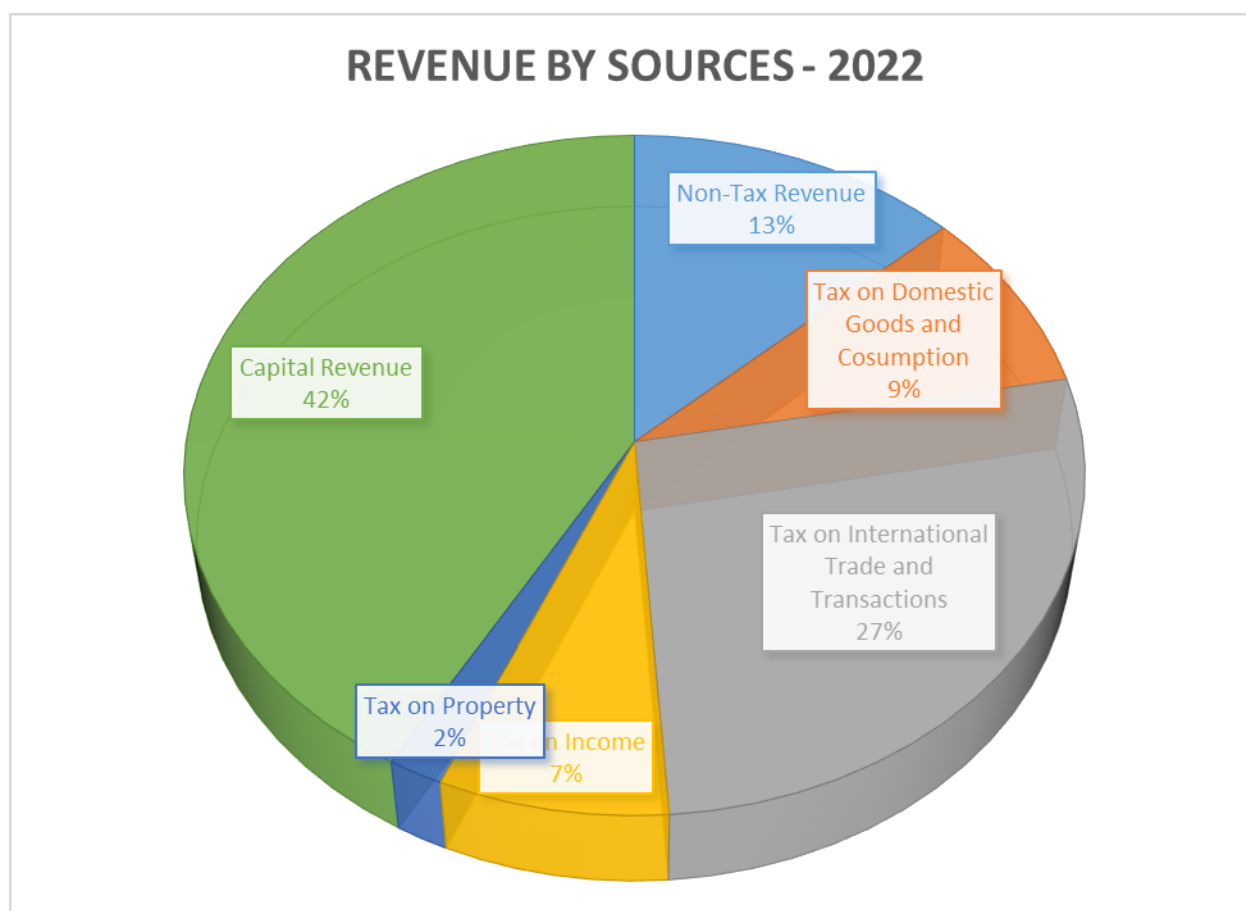
The overall performance in revenue exceeded its projected amount by \$86.21 million. The Recurrent amount showed an increase of the projected amount by \$5.15 million and the Capital account increased projections by \$81.06 million. This highlights that the overall increase in revenues was primarily due to performance on the Capital account.

The following graph depicts the actual revenue collections for 2022 vs 2021:



Total revenue collected for 2022 was \$57.70 million or 32.67% more than the 2021 collection of \$176.63 million. Also, on the capital account, the revenue collection was increased by \$40.89 million or 71.84% from that of 2021.

The following chart shows the broad categories of the sources of revenue and their contribution to the revenue pie for 2022.



As illustrated in the graph above, Capital Revenue accounted for 42% of the revenue collected which increased by 10% from the previous year collection and is the only revenue source from the previous financial year that did not fall in collection. This Capital Revenue comprises the Federal Budgetary Support of \$74,500,160 and Loans and Grants Aid of \$23,311,397. .

Taxes from International Trade and Transactions accounted for 27% of the revenue and was the second-largest contributor for 2022 which are mainly collected by the Inland Revenue Department and Customs Department. Both Taxes on Property and Taxes on Domestic Goods

and Consumption decreased from the previous year collection by 1%. It can be noted that Non Tax Revenue decreased by 5%, moving from 18% in 2021.

The following table represents the same data, but provides more detail by each Ministry responsible for revenue collections:

MINISTRY	BUDGET 2022	ACTUAL 2022	ACTUAL 2021
	\$	\$	\$
Legal Services	310,000	344,142	226,281
Premier's Ministry	2,061,000	1,449,143	1,610,643
Min of Finance	118,956,300	125,985,460	108,265,004
Min of Com, Works	7,750,000	6,573,605	7,370,390
Min of Agriculture, Lands	555,500	546,968	536,106
Min of Health, Gender Affairs	1,640,000	1,534,295	1,659,275
Min of Tourism, Culture, Info	5,800	39,046	800
Min of Education and Library	17,200	18,329	17,350
Min of Social Development	75,000	27,010	23,400
Total Current Account Revenue	131,370,800	136,517,998	119,709,249
Capital Account Revenue	16,750,000	97,811,557	56,919,289
Grand Total Revenue	148,120,800	234,329,555	176,628,538

Amongst the nine (9) revenue Heads that were prepared with a budget, four recorded revenue as being 'Over the Estimate' during the financial year 2021. These were: Legal Services, Ministry of Finance, Ministry of Tourism, Culture etc; and Ministry of Education.

LEGAL SERVICES

The Legal Services consists of two programs that were estimated to generate a combined total of \$310,000 with Registration of Companies (\$50,000) and Unclassified revenue (\$260,000). The actual revenue collection totalled \$344,142 against its budgeted amount resulting in an excess of \$34,142 or 11%. The funds were generated from Registration of Companies of \$35,550 and Unclassified revenue of \$308,592. When compared to the previous year, the actual revenue increased by \$117,861 from the \$226,281 collected in 2021.

PREMIER'S MINISTRY

The Premier's Ministry had three major programs for revenue collections namely; Administration, Registrar, and Magistrate Court which fell short of its target, by \$611,856 or 29.7% in 2022.

The Administration Program which is responsible for Passports, Permits, etc, and Work Permit ID fees, had a target of \$1.79 million and generated \$1.16 million. Passports, Permits, etc recorded the majority of this total with \$1,116,032 while Work Permit ID fees were \$9,400 and Unclassified revenue was \$36,150. In comparison with 2021, the Administration program continued to perform exceedingly well but realized a decrease in revenue of \$198,409 from 2021 of \$1.36 million.

The Registrar Program had a target of \$11,000 and its actual was \$11,970 recording an excess of \$970. The Registrar Program generated an increase of \$5,420 from the previous financial year of \$6,550 in 2021.

The Magistrate Court Program was given a target of \$255,000 and recorded an excess of \$20,581 resulting in \$275,581 collected for the year. Fines and Forfeitures for this year accounted for a majority of this program's revenue collections with \$275,365.

MINISTRY OF FINANCE, STATISTICS, ECONOMIC PLANNING

There are six (6) programs for revenue collection under the Ministry of Finance that were given a target of \$118.96 million which exceeds its budget by \$7.03 million. The four (4) major revenue collectors for this Ministry are the Customs Department, Inland Revenue, Regulation and Supervision, and the Supply Office.

The actual collection in 2022 was \$125.99 million which is an increase of \$17.72 million from the \$108.27 million collected in 2021.

Customs Department

It was estimated that the Customs Department would realize \$44.25 million for the year 2022, and this estimate reflected an increase of \$0.75 million from the 2021 estimate. The actual collections of \$44.35 million compared favourably against the budgeted figure by \$99,637. The total amount collected by the Customs Department was \$5.45 million more in comparison to the amount collected in 2021.

The following is a five-year trend of actual amounts of the major revenue streams contributing to the overall performance of the Customs Department:

	2022 \$	2021 \$	2020 \$	2019 \$	2018 \$
Consumption tax	275,515	53,063	56,502	225,915	326,167
Import Duties	11,812,426	9,483,912	8,902,624	11,950,067	11,751,122
Customs Service Charge	8,269,548	6,890,258	8,171,607	9,912,244	8,858,547
Environmental Levy	1,561,398	1,820,050	1,707,511	1,856,475	1,853,164
Excise Duty	4,268,955	5,737,177	5,326,880	5,306,337	6,644,679
Value Added Tax	17,906,335	14,753,043	13,550,153	17,309,294	16,108,503

All program by the department has surpassed its actual revenue in comparison to 2021, except for Environmental Levy and Excise Duty. On the other hand, the Value Added Tax (VAT) was the largest contributor to the department's revenue and increased by \$3.15 million when compared to 2021. Over the past five years, this tax showed a total increase of \$1.80 million or 11.16%. Import Duties has shown an increase over 2021 revenue of \$2.33 million.

Inland Revenue Department

The Inland Revenue Department (IRD) projected revenue collections were set at \$51.89 million for 2022, which represented the largest collections for the Ministry with 43.6%. The IRD realized revenue amounting to \$62.13 million and more favourable than the \$49.50 million collected in 2021 and \$52.19 million collected in 2019. Overall, the IRD realized an increase in revenue of \$10.24 million over its projected revenue.

The following shows the major revenue streams contributing to the overall performance of the IRD with comparison to the previous year:

Taxes	ACTUAL 2022	ACTUAL 2021	VARIANCE
	\$	\$	\$
Stamp Duty – Property	11,683,785	10,595,683	1,088,102
Business & Occupation Licenses	748,472	766,496	(18,024)
Social Services Levy	10,449,853	8,605,751	1,844,102
Wheel Tax	2,936,011	2,739,351	196,660
Licenses – Drivers, Temporary	203,100	73,365	129,735
Licenses – Drivers, Permanent	610,711	551,705	59,006
Income Tax	5,966,793	6,095,012	(128,219)
Property Tax	4,255,181	5,272,944	(1,017,763)
Value Added Tax	18,995,608	10,184,474	8,811,134

The majority of taxes surpassed its previous year actual revenue which has not happened for a long time. The taxes that did not surpassed the 2021 revenue levels are Property Tax which fell by \$1.01 million, Business & Occupations Licenses which fell by \$18,024 and Income Tax which fell by \$128,219. All revenue streams mentioned above surpassed their respective budgeted targets, with the exception of Income Tax.

Regulation and Supervision

This area of revenue collection typically performs exceptionally well, however, it fell short of its budgeted amount this year. The actual collection was \$13.28 million compared to its budgeted amount of \$14.96 million resulting in a shortage of \$1.68 million. Some of the revenue sources collected are Annual Fees of \$8.39 million; Penalties –Annual Fees of \$1.03 million; Due Diligence Fees of \$114,691; Registration of Offshore Companies of \$1.13 million and Unclassified of \$1.30 million.

Supply Office

The Supply Office had a target of \$6.50 million and its actual collection was \$5.01 million which resulted in a shortfall of \$1.49 million. Over the past five years, the Supply Office's actual revenue has been fluctuating from \$7.50 million in 2018; \$6.29 million in 2019; \$5.21 million in 2020; \$5.11 million in 2021 to \$5.01 million.

MINISTRY OF COMMUNICATIONS, WORKS, PUBLIC UTILITIES

This Ministry had a projection of \$7.75 million and its actual revenue was \$6.57 million, recording a shortage of \$1.18 million. In comparison with 2021, the Ministry's actual revenue decreased by \$0.80 million from the \$7.37 million collected then.

The major portion of the revenue for this Ministry was expected to flow from the Water Department, which had a budget of \$6.61 million or 85.3% of the total budget. Actual collections from the Water Department were \$5.33 million which fell short of its target by \$1.28 million. Water Rates accounted for \$5.27 million while Water Connections gained \$53,053. When compared to 2021 actual revenue of \$6.44 million, the department's revenue has decreased by \$1.11 million.

The second major revenue collection for the Ministry was the Post Office. The Post Office had a budgeted amount of \$605,500 and realized \$781,764. This revenue collection comprised P.O. Box rentals of \$110,165; the Sale of Postal Stamps of \$598,512 and Unclassified revenue of \$40,802. When compared with 2021, the actual revenue has increased by \$226,580 from the \$555,184 collected in the previous year.

MINISTRY OF HEALTH, GENDER AFFAIRS

The Ministry of Health had a projection of \$1.64 million and its actual revenue collected was \$1.53 million recording a shortfall of \$105,706. In comparison to 2021, the projected revenue collection was set at \$1.64 million and realised collection of \$1.66 million. The Ministry of Health performed better in 2021 with \$1.64 million over the revenue collected in 2022 of \$1.53 million.

The Ministry's major collections come from Medical University fees, Hospital fees, and Unclassified revenue. Only the Hospital fees surpassed its budgeted target. Medical University fees were estimated at \$600,000 and revenue collected was \$310,487. When compared to the 2021 collection, revenue decreased by \$192,206.

At the Alexandra Hospital, the budget was \$920,000 and the revenue collected exceeded expectations by \$241,467 recording revenue of \$1.16 million.

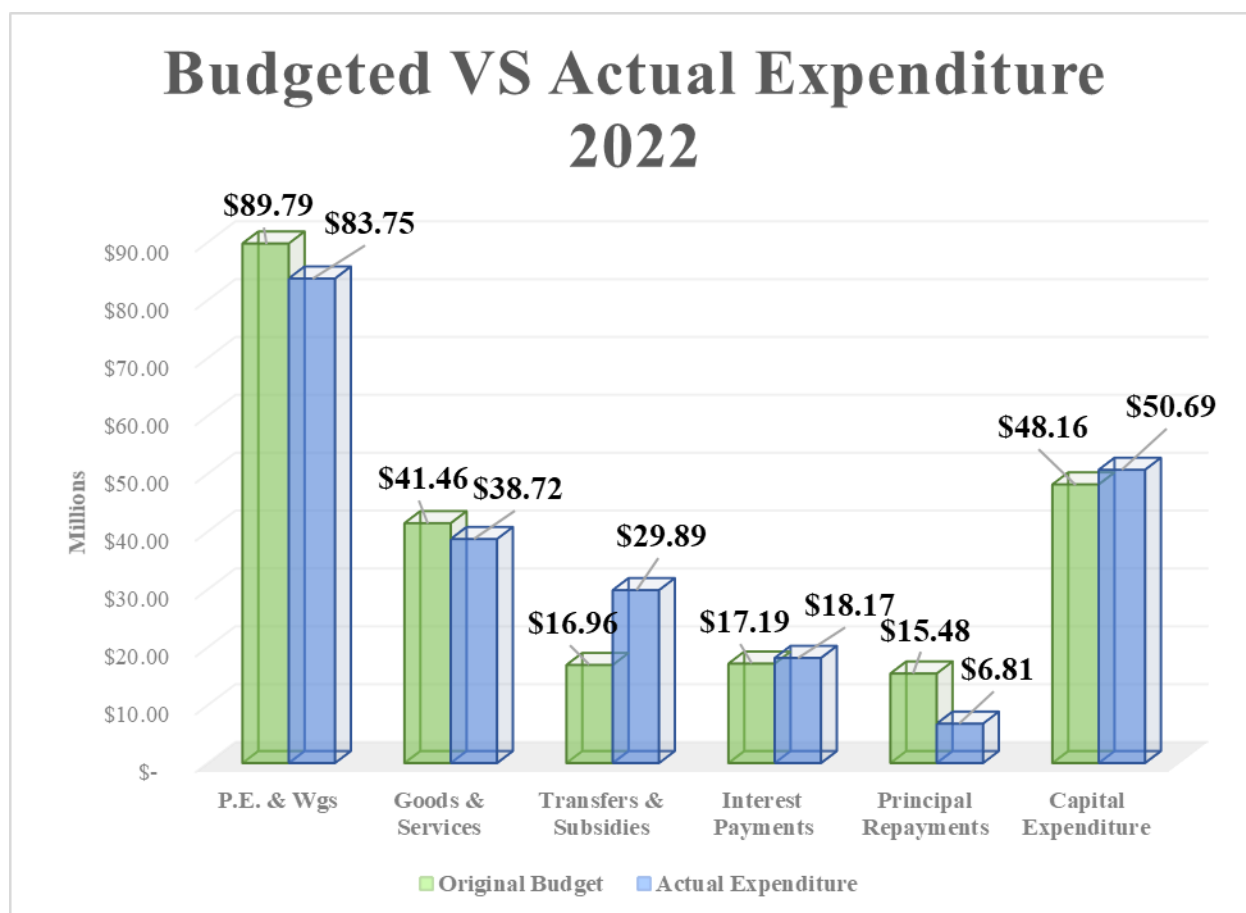
The other item of revenue for the Ministry of Health is Unclassified revenue and this amounted to \$62,340 reflecting a decrease from 2021 by \$1,735. The Unclassified revenue also did not meet its budgeted level and fell short by \$57,660.

4.3 STATEMENT OF EXPENDITURE

On December 7, 2021, the Nevis Island Assembly approved the 2022 Appropriation Act, granting authorization for a total expenditure of \$229.04 million. A collective budget of \$180.88 million was allocated to thirteen (13) Ministries for Recurrent expenditure, while eight (8) of the thirteen Program Heads received a budget of \$48.16 million for Capital Expenditure. This signifies a decrease of \$8.69 million or 3.66% compared to the budgeted amount of \$237.73 million in 2021.

The actual expenditure amounted to \$194.34 million, with \$177.34 million allocated to the Recurrent account and \$50.69 million to the Capital account. Overall, the expenditure performance resulted in savings of \$1 million from the budgeted amount. The Recurrent account demonstrated savings of \$3.54 million compared to the projected amount, while the Capital account showed an increase in spending of \$2.53 million beyond the projections.

Expenditure classifications are: Personal Emoluments & Wages; Goods & Services; Transfers & Subsidies; Interest and Principal Payments and Capital Expenditure. The following chart highlights the comparison between the Budget and Actual expenditure figures in these classifications for 2022.



The amount spent on Personal Emoluments & Wages recorded an increase of \$5.95 million from the 2021 actual of \$77.78 million but was still kept under its budget allocation for 2022 of \$89.57 million. Transfers & Subsidies of \$29.89 million were over the \$16.96 million budgeted for the year with an excess of \$12.93 million. The major components of this amount were Gratuity & Pensions of \$13.14 million; Grants and Contributions of \$4.47 million, Public Assistance of \$2.47 million, and Extra Payment of \$9.79 million. It can also be highlighted that the Goods and Services returned a savings of \$2.74 million from its budgeted amount of \$41.46 million. The amount spent on Goods and Services recorded an increase of \$3.36 million from the 2021 actual of \$35.36 million.

During the 2022 financial year, all Program Heads kept their spending on the current account well within the budgeted amounts provided. The following tables show some of the savings on the budget allocation for Ministries with budgeted figures over \$5 million for 2022:

Ministries	BUDGET	ACTUAL	SAVINGS
Premier's Ministry	5,635,000	5,468,273	166,727
Ministry of Communications, Works, et al	15,454,900	14,015,328	1,439,572
Ministry of Agriculture, Lands, et al	7,179,500	6,552,837	626,663
Ministry of Health & Gender Affairs	22,816,100	20,519,961	2,296,139
Ministry of Education & Library Services	28,163,500	26,499,909	1,663,591

DEPUTY GOVERNOR-GENERAL

The allocation to the Office of the Deputy Governor General for 2022 was \$570,500. A total of \$407,250 was spent, thereby realizing a saving of \$168,250 or 29.2%. The budgeted amount was increased by some \$5,000 from the 2021 allocation. Operating and Maintenance was allocated \$15,000 and it incurred \$34,814 resulting in an excess of \$19,814. All other programs maintain their expenses below the budgeted allocations.

LEGISLATURE

This Ministry was given a budget of \$790,300 which reflected a 2.4% decrease from the 2021 budget. Despite the decrease in budget allocation, this Ministry still realised savings of \$222,673 and recorded an actual expenditure of \$567,627.

Legislature has two program heads Administration and Office of the Opposition Leader that both realized savings. Administration was budgeted \$606,700 and recorded \$423,191. While Office of the Opposition Leader recorded an actual expenditure of \$144,436 from the \$183,600 budget that was provided.

LEGAL SERVICES

There was a total of \$1.26 million allocated between two Programs namely Legal Department and Company Registry which received \$1.15 million and \$108,100 respectively. An overall total of \$1.21 million was spent where the Legal Department incurred \$1.02 million and the Company Registry incurred \$97,581 which resulted in an overall saving of \$140,951 or approximately 11.16% of the budget. The Department spent \$11,898 in Operating and Maintenance which was given a budgeted allocation of \$8,000 for the financial year; this was the only program that exceed its budget.

PREMIER'S MINISTRY

The expenditure budget for this Ministry was \$5.64 million and it incurred an expenditure of \$5.47 million. This year, the Ministry realised a saving of its budget by \$166,726 compared to the \$696,458 saved in 2021. The expenditures for the Premier's Ministry are subdivided into three (3) programmes; Office of the Premier, Registrar and High Court and Magistrate.

Office of the Premier

This Program was allotted a budget of \$4.57 million which comprised Administration \$3.45 million, Security Services Division \$989,000, and Public Utilities and Energy \$131,000. The actual expenditure totalled \$4.40 million with savings from its budget by \$0.17 million. Amongst the three units, the Administration was the only one that exceed its budget allocations by \$117,173.

Some major areas of over expenditure were: Hosting and Entertainment of \$488,821 from the allocated amount of \$225,000; Wages had \$730,000 budgeted yet a total of \$998,171 was expended; Grants and Contributions had a budget of \$450,000 and incurred \$544,730 and Operating and Maintenance incurred \$37,658 from its budget of \$25,000.

Registrar and High Court

The actual expenditure for this programme was \$868,419 resulting in \$6,919 being returned as the excess on the budgeted amount of \$862,500. Additionally, the actual expenditure for 2021 increased by 8.3% over the previous year when \$802,270 was spent. However, the budget had a slight increase, moving from \$854,500 in 2021 to \$862,500 for the current period.

Magistrate

The budget set for the Magistrate Court was \$207,500 which decreased by \$53,000 from the 2021 budget of \$260,500. The Actual expenditure amounted to \$197,429 which reflected a savings of \$10,071. This programme kept within its budget for the past three fiscal years, returning savings of \$65,548 in 2020, \$75,826 in 2021, and now \$10,071 in 2022.

MINISTRY OF FINANCE, STATISTICS & ECONOMIC PLANNING

The Ministry of Finance and its nine (9) programmes were allocated a budget of \$79.80 million and had an actual expenditure of \$85.06 million for a net excess of \$5.26 million. Comparatively, for the previous financial period, the Ministry was able to save funds and instead returned a savings of \$4.06 million.

Administration

The administration realised an actual expenditure of \$18.86 million against a budget of \$16.35 million, thereby resulting in an excess of \$2.51 million. This budget was shared amongst the Administration, Central Procurement Unit, Internal Audit, Budget Division, and Economic Policy Division.

The Ministry takes on some of the main areas of expenditure for government-wide services which include: Telephone costs of \$1.38 million; Medical Insurance of \$2.65 million; Claims against Government of \$355,039 and Electricity of \$9.62 million. Collectively in 2021, these

areas cost the government \$14.28 million, whereas in the current year, they amounted to \$14.01 million; reflecting a \$0.27 million decrease in costs.

Treasury Department

The Treasury Department expenditure allocation for 2022 was \$44.32 million; of which \$43.81 million went to Administration and \$512,500 to Accounting Operations. Actual expenditure incurred by this department was \$48.49 million with \$48.06 million incurred by Administration and \$426,399 from Accounting Operations, which realized an excess of \$4.17 million. The level of spending done in this financial year was \$11.30 million more than the \$37.19 million spent in 2021.

Key areas of common spending included Retiring Benefits of \$13.14 million; Domestic Debt servicing cost of \$14.84 million; Overdraft Interest of \$3.87 million; Treasury Bills Interest of \$1.53 million; and Foreign Debt servicing of \$4.73 million.

Supply Office

The budget set for the Supply Office was \$7.67 million and the expenditure amounted to \$7.66 million which reflected a savings of \$13,459. Compared with the previous financial year, the expenditure for this department totalled \$7.25 million generating a savings of \$1.01 million from its budget of \$8.26 million.

An area worth mentioning is the Supplies and Materials which incurred 94% of the expenditure for this department. It can be shown that in 2019, Supplies and Materials totalled \$6.81 million; \$6.53 million in 2020; \$6.84 million in 2021, and \$7.23 million during the current financial year.

MINISTRY OF COMMUNICATIONS, WORKS, PUBLIC UTILITIES

This Ministry was allocated \$15.45 million and had an actual expenditure of \$14.02 million, compared to the \$12.43 million spent in the previous financial year. All six (6) Programs in this Ministry realized net savings on their budget allocations, to provide the \$1.43 million savings recorded.

Public Works

The Public Works Programme was allocated the largest portion of the budget; \$6.62 million to cover activities such as Roads, Bridges, and Minor Works \$1.60 million; Repair Shop \$1.16 million; Buildings \$1.36 million and the Asphalt Plant \$306,500. This program recorded expenditure of \$6.61 million and returned a savings from its budget by \$10,909. A total of \$2.61 million was spent on Administration; \$1.29 million on Roads, Bridges, and Minor Works, and \$1.29 million on Buildings.

Water Department

This department had an allocation of \$3.99 million and spent \$3.46 million, thereby realizing a net saving of \$523,054. The Administration and Billing Division incurred a total of \$1.04 million; for the Production Activity, total costs amounted to \$983,191; the Distribution Activity cost a total of \$1.32 million; and the Quality Control cost was \$114,133.

MINISTRY OF AGRICULTURE, LANDS, COOPERATIVES

The actual expenditure incurred by this Ministry amounted to \$6.55 million or approximately 91.27% of its assigned budget of \$7.18 million and realizing a savings of \$0.63 million.

The Ministry of Agriculture et al is divided into five (5) programmes; Administration; Department of Agriculture; Department of Cooperatives; Department of Marine Resources; and Nevis Disaster Management Department. The actual expenditure for each programme was: Administration \$579,575; Department of Agriculture \$4.83 million; Department of Cooperatives

\$132,272, Department of Marine Resources \$420,853; and Nevis Disaster Management Department \$461,386.

Compared to the previous financial year, this department was allocated \$6.93 million and incurred spending of \$6.13 million, and realized a net savings of \$0.80 million.

MINISTRY OF HEALTH, GENDER AFFAIRS

The allocation of this Ministry was \$22.82 million and reflected an increase from the \$22.29 million provided in the 2021 budget. Actual expenditure incurred was \$20.52 million, which was some \$2.55 million more than the \$17.97 million spent in 2021. Amongst the five (5) programmes under this Ministry, all returned savings that resulted in the overall savings for the Ministry at \$2.30 million.

Public Health

The budgeted portion allotted to this department was \$6.59 million and a total of \$5.22 million was spent. Amongst the seven (7) activities under this Program, the major expenditures can be highlighted between Community Health Services, Environmental Health Services, and Health Promotion Unit.

A budget of \$1.67 million was given to the Community Health Services from which they incurred \$1.36 million. The major spending area within this Activity is on Office and General Expenses, which incurred an excess of \$3,463 over its budgeted \$20,000, and Supplies and Materials, which incurred \$71,461 from its budget of \$40,000.

Environmental Health Services was allocated \$1.32 million from which it spent \$1.16 million with a saving of \$157,095. The Health Promotion Unit incurred costs of \$705,615 on its \$832,900 budget allocation.

Alexandra Hospital

The Alexandra Hospital budget allocation increased slightly to \$11.38 million from the budget in 2021 when it was \$10.84 million. The actual costs incurred amounted to \$10.89 million thereby providing savings of \$0.49 million. This program comprises four (4) Activities namely; Administration, Patient Care, Diagnostic Services, and Domestic and Nutrition Services.

Amongst those four (4) Activities, Patient Care consumed the biggest portion with a budget of \$6.95 million and incurred an actual cost of \$6.72 million. Major spending areas within this Activity were \$5.81 million for Personal Emoluments and Wages; Supplies & Materials cost \$249,998; Operating and Maintenance was \$60,917 and Allowances \$528,748. Allowances and Office and General Expenses were the only two object codes that exceeded their budgeted amount of \$78,748 and \$9,881 respectively.

The actual expenditure associated with the other Activities were: Administration and Maintenance \$1.89 million; Diagnostic Services \$1.05 million and Domestic and Nutrition Services \$1.22 million.

MINISTRY OF EDUCATION, LIBRARY SERVICES

The Ministry of Education and Library Services incurred \$26.50 million in actual expenditure for the financial year 2022; which provided a net savings of \$1.66 million from the budgeted amount of \$28.16 million. When compared to the previous financial year, the Ministry incurred \$24.50 million from its budget of \$27.39 million. In the two years, the Ministry has realized slight savings each year, from \$2.89 million in 2021 to \$1.66 million in 2022.

The seven Programs under this Ministry incurred the following total expenditure; Administration of \$1.84 million; Education Department of \$5.59 million; Primary Education with \$8.24 million; Secondary Education of \$9.06 million; Public Library with \$535,757; Higher and Continuing Education of \$541,764 and Department of Information Technology of \$694,862. All these programs maintained spending within their budget for 2022 except for Administration.

MINISTRY OF SOCIAL DEVELOPMENT, YOUTH, SPORTS, ET AL

This Ministry's budget was decreased by \$176,000 or 1.3% from \$12.91 million in 2021 to \$12.73 million in 2022. The actual expenditure incurred amounted to \$13.31 million and realized an excess of \$0.58 million.

The Ministry consists of five (5) program heads, where Administration program incurred a total of \$6.12 million from its budgeted amount of \$4.81 million resulting in a net excess of \$1.31 million. Amongst the three Activities under this program head, all return savings from its budgeted allocation except for the Cultural Development Division. This activity was given a budgeted allocation of \$1.92 million and incurred \$3.22 million. This is a result of the extra \$1.29 million spent on Grants and Contributions that were not properly budgeted.

The budget for the Department of Social Services was \$3.37 million consisting of four Activities namely; Administration \$1.14 million, Family Services \$872,500, Senior Citizens Division \$1.03 million, and Counselling Unit \$323,500. The actual expenditures for this financial year were: Administration \$1.03 million; Family Services \$792,378, Senior Citizens Division \$954,116 and Counselling Unit \$119,914.

The Department of Community Development was allocated \$1.35 million and spent \$1.15 million thereby realizing a total savings of \$200,638. Department of Youth and Sports had a budget of \$2.41 million and incurred \$2.34 million with Sports Unit spending \$2.04 million and Youth Division \$294,496. The smallest program Head, the Department of Information incurred a total expenditure of \$804,207 from its budgeted amount of \$796,500.

CONCLUSION

From the Detailed Statements of Expenditure for 2022, it can be concluded that significant effort was made to control expenditure for the year. The fact that only two (2) of the expenditure heads on the recurrent account exceeded its budgeted allocation, is commendable. Hence the resulting net savings on the Budget in the amount of \$3.54 million.

Attention must be focused on those significant expenditure items that keep going out of control each year and identify where in the control processes are the weak links.

1. The government's expenditure on electricity reached a total of \$9.64 million, surpassing its budget of \$7.03 million by \$2.61 million. In 2021, the electricity expense amounted to \$9.95 million, while it was \$5.29 million in 2020. The audit report highlights that the payment for electricity expenses is not being made promptly, resulting in these expenses being carried forward to the next accounting period. It is crucial to address this issue in order to enhance financial management.
2. Additionally, the audit report identifies a weakness in the ordering process, where the quantities of items requested are not specified in the orders. This deficiency poses a potential risk for fraudulent activities. The Ministry of Finance should prioritize raising awareness among both new and existing staff members about the significance of accountability for government funds in the Accounting System, as well as the secure storage and custody of financial records. This proactive approach will strengthen the overall control procedures and mitigate the possibility of fund misuse.

4.4 THE CAPITAL ACCOUNT

The capital expenditure budget for 2022 was approved at \$48.16 million that anticipated sources to be from Revenue of \$31.41 million; Loans of \$15.25 million; and Grants or Development Aid of \$1.50 million to support a total of 71 projects.

Actual expenditure for capital projects amounted to \$50.69 million representing an increase of \$2.53 million over the budgeted amount. Of this amount, spending from Revenue amounted to \$39.43 million; Loans amounted to \$8.96 million; and Grants or Development Aid was \$2.30 million. This covered expenditure on 53 budgeted projects and 5 projects that were not budgeted for in 2022. At the end of the 2022 financial year, 18 projects with a combined estimated budget of \$6.20 million had not been started. They consist of projects from prior years that had not commenced or were ongoing in 2021.

Actual Capital Revenue realized was \$97.81 million where the sources came from Loans and Grants of \$23.31 million and Federal Budgetary Support of \$74.5 million.

The following are some of the capital projects implemented by various Ministries:

Under the Office of the Premier, \$2.34 million was spent from a budget allocation of \$2.05 million which resulted in a net excess of \$289,486. Major expenditures included \$675,819 on the National Celebrations, \$467,672 on Updates of Police Services; and \$779,774 on the Constituency Empowerment. There was \$16,800 spent on Procurement of Generator – High Court which was not budgeted for in this financial year. Another instance was the \$30,500 spent on the NE Workers Pension Scheme Commission.

The nine projects that were realised by the Ministry of Finance incurred a total of \$2.51 million from their budget of \$2.95 million, resulting in a net savings of \$438,578. Some of the major projects were the Financial Services Registry System \$1.01 million; Computerization of Government Services \$401,211 and Statistical Surveys amounted to \$524,310.

The Ministry of Communications, Works, Public Utilities and Posts had a capital expenditure amounting to \$23.03 million from their budget of \$16.99 million, resulting in a net excess of \$6.04 million. The Ministry spent a total of \$362,675 on Road Improvement, Water Drilling Programme, Land Settlement, and Land Use Policy Feasibility Study. The Public Works Department spent \$18.51 million on the Road Development Programme, Renovation and Expansion of Government Buildings, and Asphalt Plant Maintenance. The Water Department incurred a total of \$4.14 million on the continuing project for Water Service Upgrade. There was \$105,961 spent under the Ministry's Major Road Improvement Project and \$82,962 spent on the CDB Water Development Project, which both were not budgeted for in this financial year.

The capital projects done by the Ministry of Agriculture, et al included the Upgrade of Agricultural Facilities, Feral Animal Control, and Disaster Management Upgrades incurred a total of \$3.74 million from a budget of \$5.35 million. Major spending was the Feral Animal Control project which incurred a total of \$1.27 million and the Upgrade of Agricultural Facilities of \$720,871.

The Ministry of Health spent \$8.20 million or 72.8% of its budgeted \$11.25 million. The \$6 million that was budgeted for the Improvement of Alexandra Hospital only incurred \$4.62

million. Other projects were the Procurement of Diagnostic Equipment for \$464,885, the Improvement of Health Facilities for \$234,744, the Procurement of Medical Supplies for \$1.03 million, and the Covid-19 Pandemic Response Fund for \$857,902.

The Ministry of Tourism incurred a total expenditure of \$3.38 million over its budget of \$1.10 million on two projects namely; the Tourism Product Development and Construction of Pinney's Recreational Park. A total of \$2.80 million and \$584,078 were incurred respectively.

The Ministry of Education had a budget for eleven projects but only incurred costs on seven projects for the year. From its budget allocation of \$5.50 million, the Ministry incurred a total of \$4.06 million on projects such as the Upgrade and Refurbishment of Schools, the Schools Meal Programme, Computerization of Schools, and the TVET Enhancement Project (see cover page).

The capital projects done by the Ministry of Social Development incurred an overall outlay of \$3.43 million which exceeded the budgeted amount of \$2.97 million by \$463,055. Some of their major projects included \$138,958 for the Improvement & Maintenance of Community Centers; Upgrade and Maintenance of Sporting Facilities \$2.55 million; the Community House Assistance used \$679,040 and the Youth Empowerment program accounted for \$7,000. There was \$2,187 spent on the Refurbishment of the New River School Building, which was not budgeted for in this financial year and has been occurring for the past two years.

It is recommended that:

- 1. Despite the reduction in budget allocation for several Ministries from the previous year, they ended up spending more than what was given to them. It was evident that the Administration was attempting to save by cutting down on the budget, but they were unable to maintain control over the expenditure throughout the year. Hence, it is imperative for Ministries to meticulously plan, monitor, and reconcile their capital expenditure projects throughout the year.**

4.5 STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

The Statement of Financial Assets and Liabilities as at December 31, 2022 and 2021 are summarized with comparative data as follows:

	2022	2021
Financial Liabilities/Assets		
Cash and Cash Equivalents	151,576,676	160,450,982
Other Public Funds	77,925,628	72,634,880
Trust Funds	86,168,270	87,427,041
Advances	(31,096,448)	(29,644,667)
Total Liabilities/ Net Assets	284,574,127	290,868,236
Deficit B/fwd	<u>290,868,236</u>	<u>273,157,319</u>
Surplus/ (Deficit) for year	6,294,109	(17,710,917)
Accumulated Deficit	<u>284,574,127</u>	<u>290,868,236</u>

Cash and Cash Equivalents

Cash and cash equivalents at yearend amounted to an overdraft position of \$151.58 million and decreased from the previous financial year by \$8.87 million, as the cash position slightly improved due to the net outflow of such funds during the year.

Advances

At the end of 2022, advances totalled \$31.10 million and increased by \$1.46 million over the previous financial year. The net movement in advances for 2022 was \$33,374 in Personal Advances and \$1.42 million in Other Advances. The net movement in personal advances shows a total of nine accounts with activities for the year, along with four new accounts added.

Trust Funds

Trust Funds at the end of the financial year totalled \$88.17 million with a net movement of (\$1.26) million during the year. These funds comprise primarily the outstanding Treasury Bills at the year's end.

Other Public Funds

The other public funds totalled \$77.93 million for the fiscal year end. This comprises primarily of deposit accounts that were created for specific purposes and each should have been closed after it has served its purpose. However, it can be seen that some of these accounts are used daily to record receipts of monies and payments for expenditures that can be properly classified as normal government revenues and expenditures. This suggests that actual Government revenues and expenditures are being understated.

4.6 STATEMENT OF PUBLIC DEBT

The Public Debt at the end of the 2022 financial year review is disclosed as \$523,103,833 reflecting an increase of \$28.02 million or 5.66% over the previous year. During this period, the Domestic portion increased from \$454.30 million to \$485.38 million or by \$13.08 million while the foreign portion decreased by \$3.05 million, moving from \$40.78 million to \$37.73 million.

The outstanding Treasury Bills as of the end of 2022 are disclosed at \$102,522,480 and reflect a net increase of \$2.67 million or 2.67% over the previous financial year 2021.

Both the Domestic and Foreign portions of the public debt include Government Guarantees which have shown different results over the period under review. The Foreign Debt Guarantees have been reduced from \$7.16 million in 2020 to \$6.20 million in 2022. On the other hand, the Domestic Guarantees have increased by \$14.65 million moving from \$44.80 million to \$59.45 million. It must be noted that the total guaranteed debt accounts for 12.5% of the total public sector debt.

There were two new instruments added in 2022: BON Road Improvement Project amounting to \$11 million and Refinance of BON Overdraft - 2023 amounting to \$15 million. For the yearend, total principal payments for 19 loans amounted to \$8.98 million. Disbursements were made during the year from the Taiwan ICDF – 900K of \$2.57 million with zero principal repayments which brought the outstanding balance to \$5 million.

Other disbursements were made from the Water Drilling Programme of \$500,000 with a principal repayment of \$394,573 which brought the outstanding balance to \$2.46 million at the yearend. The NIA Capital Projects Loan of \$600,000 along with repayment on the principal of \$768,722 resulted in an outstanding balance for the year of \$17.54 million.

From the new instruments, there was a disbursement of \$15 million from the Refinance of BON Overdraft -2022 with principal repayment of \$29,130. The Bon Road Improvement Project saw a disbursement of \$3.97 million with zero principal payment.

The following statement provides the current Debt position with comparative data:

PUBLIC DEBT:	2022	2021	2020	2019	2018 \$
Domestic	485,377,471	454,296,665	446,473,663	412,230,073	384,139,805
Foreign	37,726,361	40,783,501	45,729,370	49,229,400	54,923,074
Guaranteed –Domestic	59,451,304	44,801,063	45,038,173	38,299,397	30,935,602
Guaranteed – Foreign	6,195,524	7,155,450	8,887,921	10,247,446	11,999,231
Total Debt	523,103,833	495,080,166	492,203,033	461,459,473	439,062,879

ACKNOWLEDGMENTS

To conclude, I would like to extend my heartfelt gratitude to the Nevis Audit Office team for their diligent efforts in completing the audit assignments for the reviewed period. While the National Audit Office holds the ultimate responsibility for the accounts report, it is the Nevis Audit Office staff who carry out the groundwork, vouching, inspections, and analyses. Their unwavering dedication and commitment to the task, as well as their adherence to the motto of working towards greater accountability, are truly commendable.

I would also like to express my appreciation to the Treasurer and staff for their outstanding work in maintaining the accounts of the Nevis Island Administration, ensuring that they are up-to-date and easily accessible. Additionally, I extend my gratitude to the staff of other Ministries and Departments in Nevis for their valuable and timely assistance. Without their cooperation, the National Audit Office would not be able to fulfill its legislative mandate.