

ST. KITTS & NEVIS NATIONAL AUDIT OFFICE



REPORT ON THE AUDIT OF THE PUBLIC ACCOUNTS
NEVIS ISLAND ADMINISTRATION





ST. KITTS AND NEVIS
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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, 2023.

Respectfully submitted,

Tanisha Mills
On Behalf of the
Director of Audit
18th November, 2024



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 2023

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1. INTRODUCTION

The Public Accounts of the Nevis Island Administration for the year ended December 31, 2022 along with the Audit Report on those accounts, were forwarded to Honourable Premier on November 24, 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 December 5th, 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 2023 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 2023 financials by June 2024.

Appropriations:

The original budget was approved by legislative action in the Nevis Island Assembly with the passing of the Appropriation Act on February 20, 2022 for the 2023 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, 2023, 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, 2023.

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, 2023. 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

18th November, 2024.

2. NEVIS AUDIT OFFICE

Staffing:

I would like to formally express my appreciation for the exceptional support provided by the staff of the Nevis Audit Office during the audit process. Throughout the review period, there were no additional personnel at the Nevis Audit Office. Nevertheless, addressing staffing needs continues to be a priority, as it limits the extent of the audits we are able to conduct.

Budget:

In the 2023 fiscal year, the Nevis Audit Office was allocated a budget of \$531,900. This budget comprised \$384,000 designated for salaries, wages, and allowances, along with \$147,900 for other expenditures. The actual expenditure for the office totaled \$387,881, resulting in a savings of \$144,019, which represents a 27% reduction compared to the budgeted amount. The primary areas of expenditure included Personal Emoluments at \$313,584 and Rental of Property at \$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.

Two officers participated in a workshop facilitated by the Ministry of Human Resources on the topic, “Quality Customer Service” in April.

In April, staff participated in a webinar “Climate Change Adaptation Actions in Small Island Developing States” hosted by CAROSAI in collaboration with IDI, WGEA and the CCAA.

One officer started the online program name Professional Education for SAI Auditors (PESA) organized by INTOSAI Development Initiative in May.

All staff participated in a workshop conducted by representative from CARTAC on the topic ‘Performance Auditing’ during the month of May.

In June, two officers participated in a workshop hosted by the Ministry of Human Resources on the topic, “Email Etiquette.”

Two officers participated in a workshop facilitated by the Ministry of Human Resources on the topic, “Customer Service Strategies Workshop” in July.

3. OVERVIEW OF THE PUBLIC ACCOUNTS

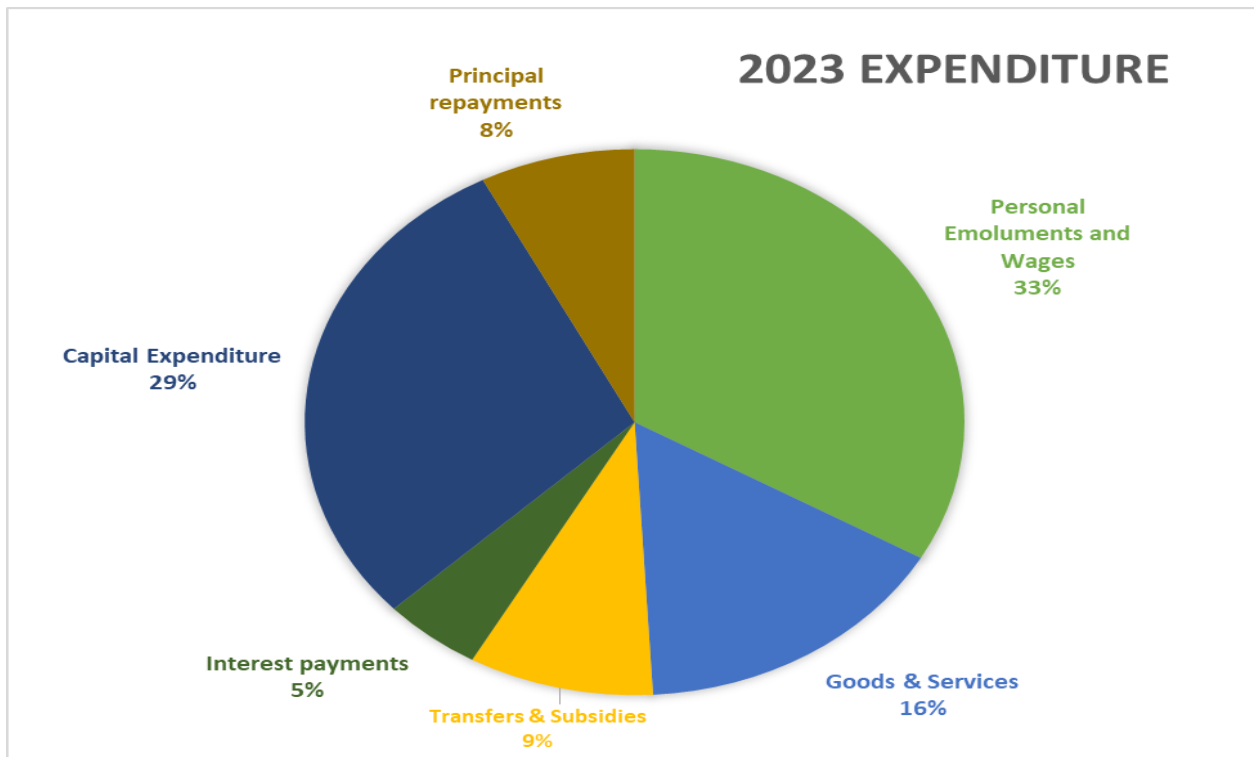
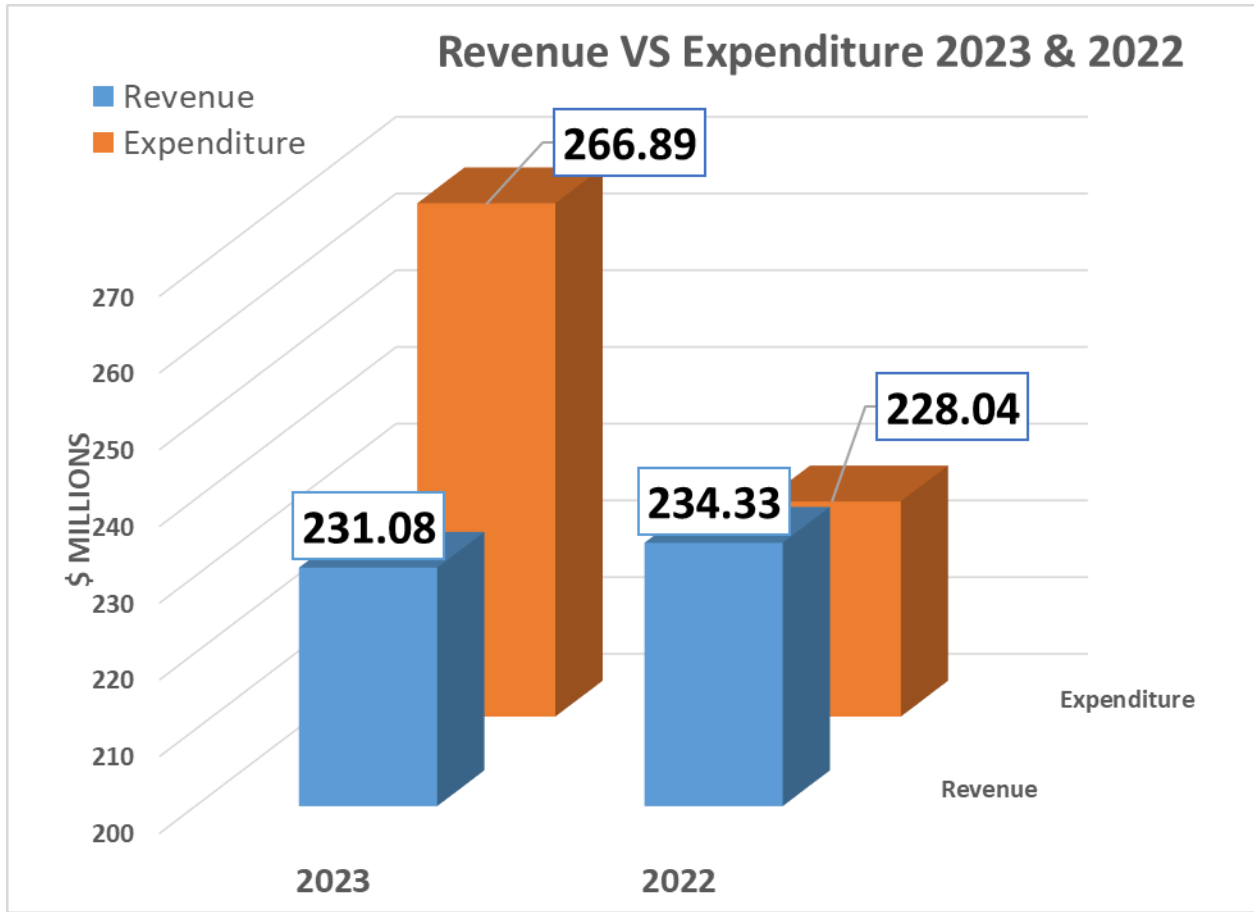
PERFORMANCE SUMMARY

The public accounts for the fiscal year ending December 31, 2023, revealed a total deficit of **\$35.81 million (\$35,810,570)**. This marks a substantial decline from the \$6.29 million surplus reported in 2022. It can be noted, this represents the largest deficit observed in the past decade.

The Nevis Island Administration had approved an Estimated Overall Deficit of \$29.20 million (\$29,196,250). The recurrent account was anticipated to yield a surplus of \$16,371,650, while the capital account was expected to face a deficit of \$46.16 million. At the conclusion of the fiscal year, the Statement of Revenue and Expenditure indicates that actual revenue collection amounted to **\$231.08 million**, which includes Recurrent Revenue of \$147,325,014 and Capital Revenue of \$83,754,584. The total actual expenditure reached **\$266.89 million**, consisting of Recurrent Expenditure of \$188,523,894 and Capital Expenditure of \$78,366,273, leading to the aforementioned deficit of **(\$35.81 million)**.

When compared to the previous fiscal year, total expenditure for 2023 increased by \$38.85 million from the 2022 figures, while total revenue saw a decline of \$3.25 million. The results reveal that expenditure on the recurrent account increased by \$11.18 million, as well as capital expenditure rose by \$27.67 million compared to the 2022 fiscal accounts. On the other hand, recurrent revenue experienced an increase of \$10.81 million, whereas capital revenue decreased by (\$14.06 million), contributing to the overall reduction in revenue as noted.

The following graphs and table represent the comparison of Revenue and Expenditure for the financial years 2023 and 2022 along with the broad categories.



NEVIS ISLAND ADMINISTRATION		
STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED		
DECEMBER 31 2023		
	2023	2022
REVENUE	\$	\$
<i>Taxes on Income</i>	24,235,169	17,720,757
<i>Taxes on Property</i>	4,143,120	4,255,181
<i>Taxes on Domestic Goods and Consumption</i>	19,729,505	20,628,925
<i>Taxes on International Trade and Transactions</i>	64,366,929	63,101,863
<i>Non-Tax Revenue</i>	33,909,703	30,811,272
<i>Interest, Dividends & Currency</i>	940,588	0
<i>Capital Revenue</i>	83,754,584	97,811,557
	0	
Total Revenue	231,079,598	234,329,555
EXPENDITURE		
<i>Personal Emoluments and Wages</i>	(88,824,876)	(83,754,246)
<i>Goods and Services</i>	(42,239,535)	(38,722,838)
<i>Transfers and subsidies</i>	(24,255,423)	(29,887,515)
<i>Interest payments</i>	(12,889,687)	(18,165,008)
<i>Capital expenditure</i>	(78,366,273)	(50,692,736)
<i>Principal payments</i>	(20,314,373)	(6,813,104)
Total Expenditure	(266,890,168)	(228,035,446)
(DEFICIT)/SURPLUS	(35,810,570)	6,294,109

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 \$6.51 million or 36.7% from the previous year. It has shown significant improvement from the downward trend that it has shown in the previous years.

Attention can also be drawn to Non-Taxes Revenue that have increased by \$3.09 million or 10% in comparison to 2022.

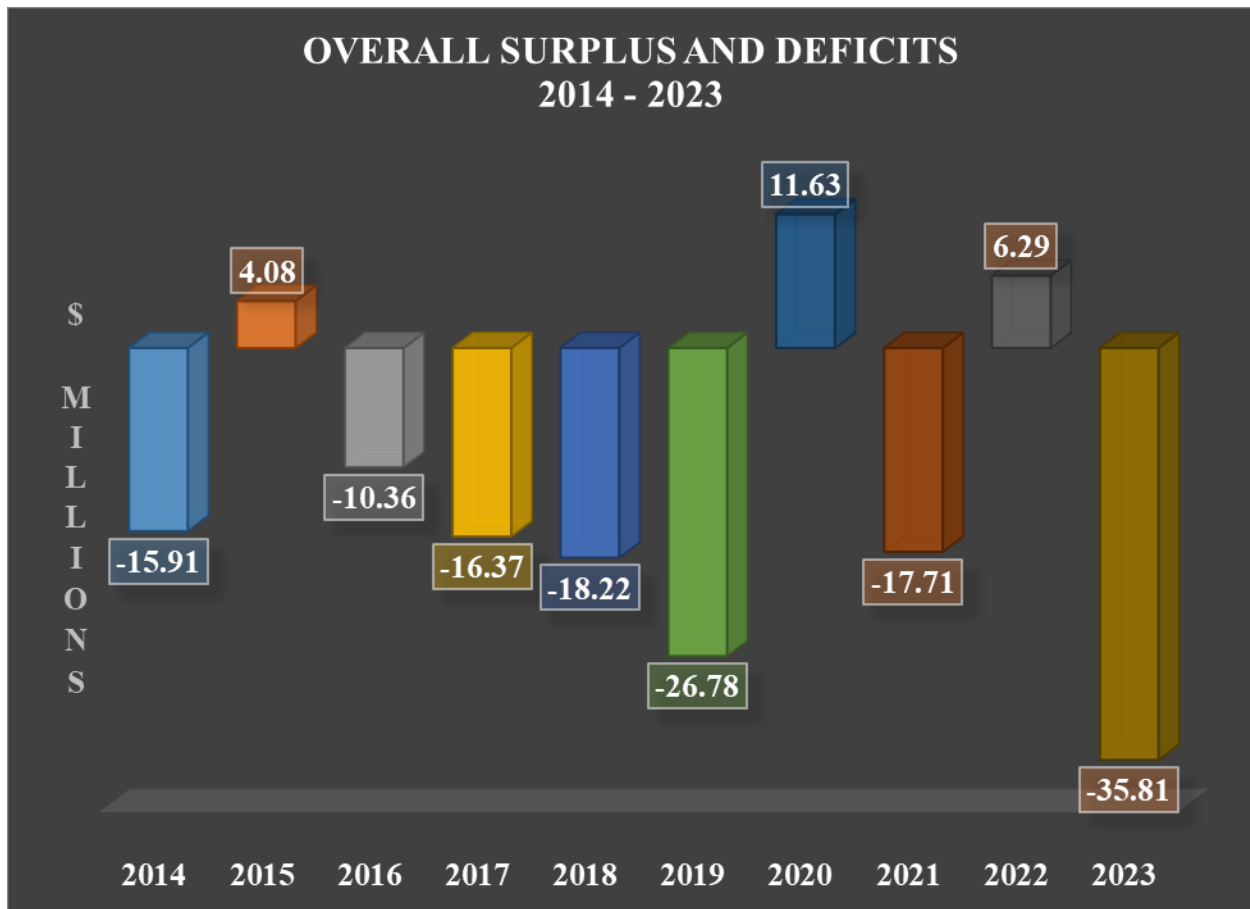
The current year's actual expenditure has risen by \$38.85 million, reflecting a 17.04% increase compared to the previous financial year. Capital Expenditure represents the second largest category of spending, with an increase of \$27.67 million from the \$50.69 million spent in 2022. Additionally, spending on Goods and Services has grown by approximately \$3.52 million, or 9.1%, compared to the 2022 figure of \$38.72 million.

The following graph shows the results on the Recurrent account covering the ten years 2014 to 2023:



During the ten-year period, only one year, 2015, recorded a surplus in the recurrent account, amounting to \$3.37 million. In contrast, the total accumulated deficits in the recurrent account over these years surpass \$220.28 million, with this fiscal year marking the highest deficit.

The overall annual results of surpluses and deficits (Recurrent and Capital accounts) during the period 2014 to 2023 are shown in the following graph:



The historical data reveals a multi-year trend characterized by deficits, with only three years experiencing surpluses. Notably, surpluses were recorded in 2015 at \$4.08 million, in 2020 at \$11.63 million, and in 2022 at \$6.29 million. Throughout the remaining seven years illustrated in the chart, a cumulative Grand Deficit of \$141.16 million was incurred, with the highest deficit occurring in 2023, reaching \$35.81 million, following an election year. This significant increase in the deficit can be linked to various factors, including the typical rise in government expenditure and changes in budgetary focus that follow an election year.

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 2023.

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

	2023	2022
Net Cash Flows:		
Operating Activities	(31,315,228)	(35,463,389)
Investing Activities	(43,238,543)	(43,417,639)
Financing Activities	<u>57,724,186</u>	<u>87,755,334</u>
Net increase/(decrease) in cash	(16,829,584)	8,874,306
Opening Cash Position	(151,576,676)	(160,450,982)
Yearend Cash Position	(168,406,260)	(151,576,676)

Net Cash Flow from Operating Activities

In 2023, the total receipts from operating activities reached \$144.42 million, with tax revenues constituting 73.2% of this amount. Payments related to operating activities amounted to \$182.90 million, primarily driven by Personal Emoluments and Wages, which represented 48.6% of the total payments. Consequently, this led to a net cash outflow from operating activities of **(\$31.32) million**.

Net Cash Flow from Investing Activities

The cash inflows from investment activities amounted to \$82.38 million, primarily derived from significant sources such as trust funds and various public funds. Total expenditures reached \$125.62 million, with capital expenditures accounting for 62.4% of this total, leading to a net cash outflow of **(\$43.24) million**.

Net Cash Flow from Financing Activities

The financing activities resulted in a net cash inflow of \$57.72 million, where \$78.04 million were from the proceeds from borrowings in 2023. Payments from financing activities totalled \$20.31 million which represented domestic and foreign loan principal payments.

The following is the entire statement of Receipts and Payments for 2023, with comparative data for 2022:

**NEVIS ISLAND ADMINISTRATION
STATEMENT OF RECEIPTS AND PAYMENTS
AS AT 31 DECEMBER 2023**

RECEIPTS	Notes	2023	2022
		\$	\$
Taxes on Income	1.14	24,235,169	17,720,757
Taxes on Property	1.14	4,143,120	4,255,181
Taxes on Domestic Goods and Consumption	1.14	19,729,505	20,628,925
Taxes on International Trade and Transactions	1.14	64,366,929	63,101,863
Budgetary Grants			
Utilities	1.15	5,788,322	5,325,106
Fines, Fees & Forfeitures	1.16	2,594,754	2,170,999
Postal Services	1.18	613,924	762,722
Other Receipts	1.19	24,912,703	22,552,446
Repayment of Personal Advances	1.30	31,960	31,226
Repayment of Subsistence Advances	1.30	0	2,459
Repayment of Other Government Advances	1.30	5,170,534	7,871,241
PAYMENTS			
Personal Emoluments and Wages	1.21	-88,824,876	-83,754,246
Goods and Services	1.22	-42,239,535	-38,722,838

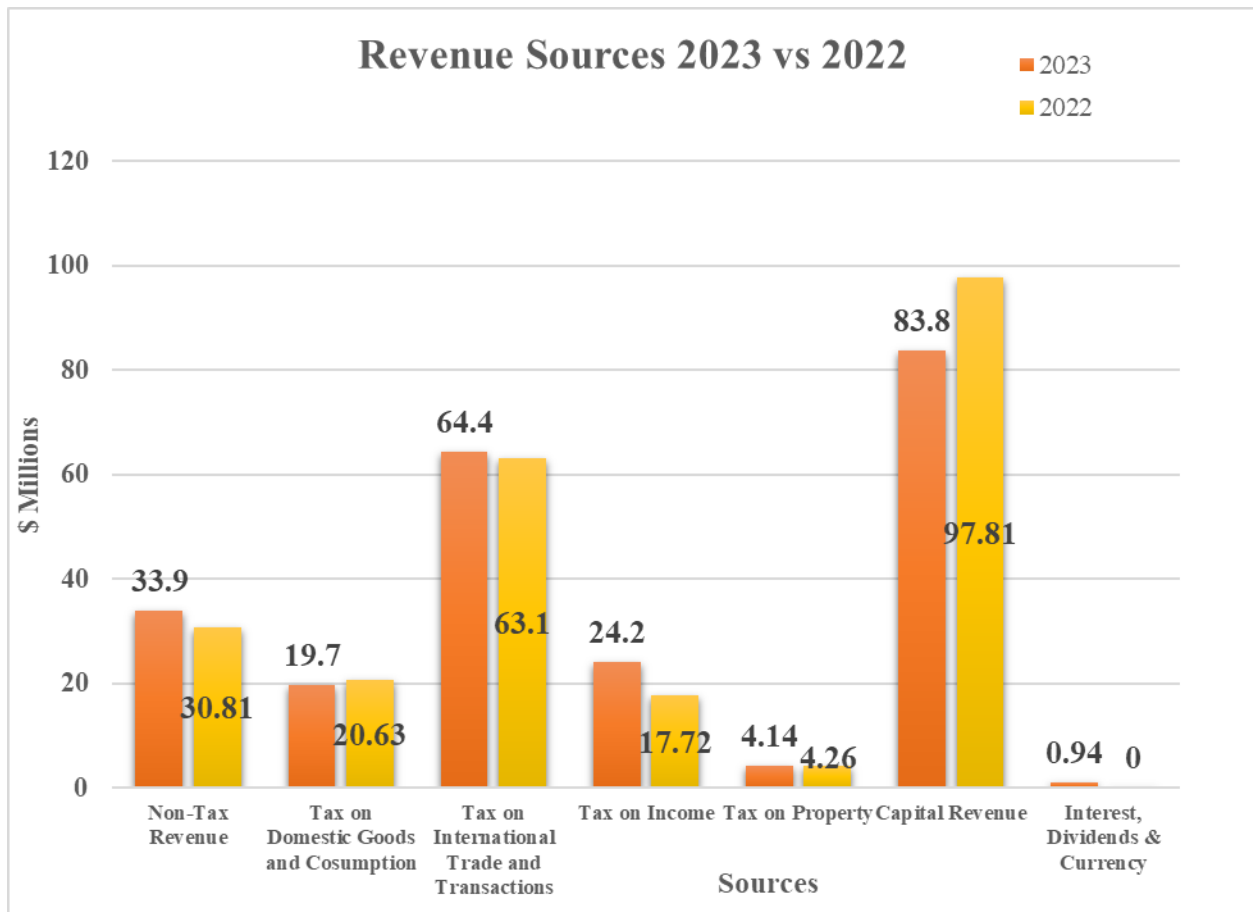
Transfers and Subsidies	1.23	-24,255,423	-29,887,515
Interest Payments		-12,889,687	-18,165,008
Issuance of Personal Advances	1.30	-24,500	-64,600
Issuance of Subsistence Advances	1.30	0	0
Issuance of Other Government Advances	1.30	-14,668,127	-9,292,107
Net Cash Flows from Operating Activities		-31,315,228	-35,463,389
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of land and properties		0	0
Interest, Dividend and Currency	1.17	940,588	0
Capital Grants	1.20	5,716,025	3,243,120
Repayment of Other Advances		-	-
Returns on Investments		-	-
Receipts from Trust Funds	1.32	26,517,227	257,693
Receipts from Other Public Funds	1.33	49,211,004	40,495,611
Payments			
Capital Expenditure		-78,366,273	-50,692,736
Net Lending			
Issuance of Other Advances			
Purchase of Investments			
Outflows from Trust Funds	1.32	-1,432,862	-1,516,464
Outflows from Other Public Funds	1.33	-45,824,251	-35,204,862
Net Cash Flows from Investing Activities		-43,238,543	-43,417,639
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings - Foreign		0	0
Proceeds from borrowings - Domestic	1.20	78,038,559	94,568,437
Payments			
Repayment of borrowings - Foreign		0	0
Repayment of borrowings - Domestic	1.24	-20,314,373	-6,813,104
Net Cash Flows from Financing Activities		57,724,186	87,755,334
Net increase/(decrease) in cash		-16,829,584	8,874,306
Cash at the beginning of the period		-151,576,676	-160,450,982
Cash at the end of the period		-168,406,260	-151,576,676

4.2 STATEMENT OF REVENUE

Projected revenue for 2023 was estimated at \$166.45 million, subdivided into a Recurrent account of \$146.45 million and a Capital account of \$20 million. Actual revenue sources realized \$147.33 million from the Recurrent account and \$83.75 million from the Capital account, resulting in a total of \$231.08 million.

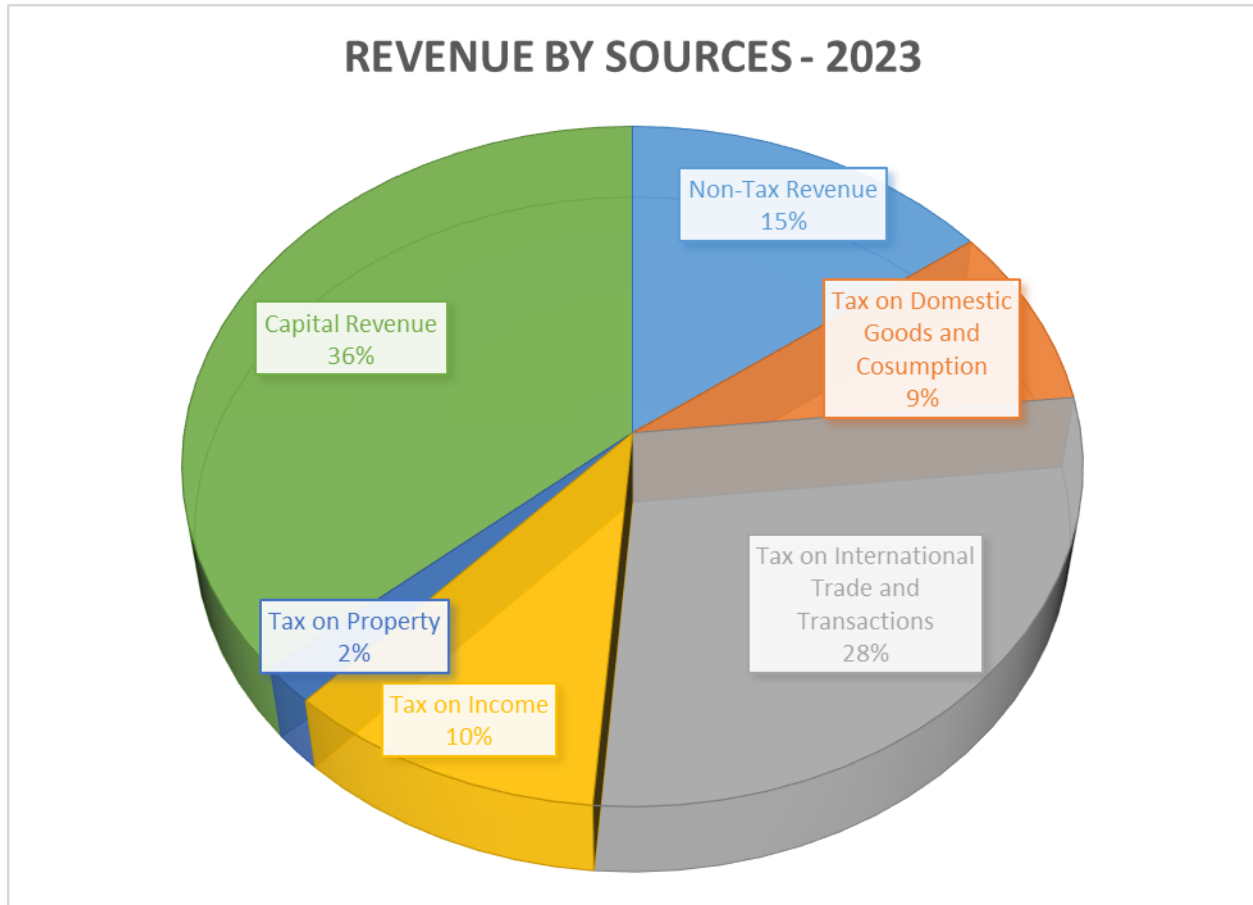
The total revenue surpassed the projected figure by \$64.63 million, with the Recurrent account showing a modest increase of \$0.88 million over projections, while the Capital account significantly exceeded expectations by \$63.75 million. This indicates that the substantial growth in total revenues was chiefly attributed to the performance of the Capital account.

The following graph depicts the actual revenue collections for 2023 vs 2022:



The total revenue for 2023 represents a decline of 1.39% or \$3.25 million compared to the 2022 figure of \$234.33 million. In terms of the capital account, revenue collection saw a decrease of \$14.06 million, equating to a reduction of 14.37% from the previous year. On the other hand, the recurrent account reported an increase of \$10.81 million over the previous fiscal year.

The following chart shows the broad categories of the sources of revenue and their contribution to the revenue pie for 2023.



As illustrated in the graph above, Capital Revenue accounted for 36% of the total revenue collected, reflecting a decrease by 6% from the previous year collection. This Capital Revenue comprises the Federal Budgetary Support of \$70,750,000 and Loans and Grants Aid of \$13,004,583.75.

Taxes from International Trade and Transactions accounted for 28% of the revenue, making it the second-largest contributor for 2023 which are mainly collected by the Inland Revenue Department and Customs Department. Both Taxes on Property and Taxes on Domestic Goods

and Consumption remained the same percentage as the previous year. Notably, Non Tax Revenue and Taxes on Income showed an increase of 2% and 3% respectively.

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

MINISTRY	BUDGET 2023	ACTUAL 2023	ACTUAL 2022
	\$	\$	\$
Legal	330,000	268,402	344,142
Premier	1,936,000	1,496,398	1,449,143
Finance	134,209,600	136,316,943	125,985,460
Min of Works	7,769,000	6,850,054	6,573,605
Min of Agriculture, Lands	547,000	501,609	546,968
Min of Health	1,640,000	1,824,465	1,534,295
Min of Tourism, Culture, Info	5,800	47,381	39,046
Min of Education and Library	17,200	19,761	18,329
Min of Social Development			27,010
Total Current Account Revenue	146,454,600	147,325,014	136,517,998
Capital Account Revenue	20,000,000	83,754,584	97,811,557
Grand Total Revenue	166,454,600	231,079,598	234,329,555

Amongst the eight (8) revenue Heads that were prepared with a budget, four recorded revenue as being ‘Over the Estimate’ during the financial year 2023. These were: Ministry of Finance, Ministry of Health, 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 \$330,000 with Registration of Companies (\$50,000) and Unclassified revenue (\$280,000). The actual revenue collection totalled \$268,402 against its budgeted amount resulting in a shortage of \$61,598 or 18.6%. The funds were generated from Registration of Companies of \$34,950 and Unclassified revenue of \$233,452. When compared to the previous year, the actual revenue decreased by \$75,740 from the \$344,142 collected in 2022.

PREMIER'S MINISTRY

The Premier's Ministry had four major programs for revenue collections namely; Administration, Registrar, Magistrate Court and Department of Information which fell short of its target, by \$439,602 or 22.7% in 2023.

The Administration Program, which oversees Passports, Permits, and Work Permit ID fees, had a revenue target of \$1.60 million but achieved only \$1.31 million. The majority of this revenue, amounting to \$1,233,595, was derived from Passports and Permits, while Work Permit ID fees contributed \$9,125, and Unclassified revenue totalled \$64,481. Compared to 2022, the Administration Program demonstrated significant improvement, with an increase in revenue of \$145,627 from the previous year's total of \$1.16 million.

The Registrar Program set a target of \$11,000 but only generated \$9,254, resulting in a shortfall of \$1,746. This program experienced a decline of \$2,716 from the prior year, which had recorded \$11,970 in 2022.

The Magistrate Court Program aimed for a target of \$255,000 but fell short by \$90,276, ultimately collecting \$164,724 for the year. The majority of the revenue for this program came from Fines and Forfeitures, which accounted for \$164,615 of the total collections.

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 \$134.21 million which exceeds its budget by \$2.11 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 2023 was \$136.32 million which is an increase of \$10.33 million from the \$125.99 million collected in 2022.

Customs Department

It was estimated that the Customs Department would realize \$46.56 million for the year 2023, and this estimate reflected an increase of \$2.31 million from the 2022 estimate. The actual collections of \$43.27 million fell short against the budgeted figure by \$3.29 million. Additionally, the total revenue collected by the Customs Department was \$1.08 million lower than the amount collected in 2022.

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

	2023	2022	2021	2020	2019
	\$	\$	\$	\$	\$
Consumption tax	46,241	275,515	53,063	56,502	225,915
Import Duties	12,129,035	11,812,426	9,483,912	8,902,624	11,950,067
Customs Service Charge	8,579,390	8,269,548	6,890,258	8,171,607	9,912,244
Environmental Levy	2,304,561	1,561,398	1,820,050	1,707,511	1,856,475
Excise Duty	2,855,008	4,268,955	5,737,177	5,326,880	5,306,337
Value Added Tax	17,103,038	17,906,335	14,753,043	13,550,153	17,309,294

All program by the department surpassed its actual revenue in comparison to 2022, except for Consumption tax, Value Added Tax and Excise Duty. On the other hand, the Value Added Tax (VAT) was the largest contributor of revenue for the department, although it experienced a decrease of \$803,297 when compared to 2022. Import Duties has shown an increase in revenue of \$316,609 over that of 2022. Overall, for the programs that did show growth compared to the previous financial year, the performance was underwhelming.

Inland Revenue Department

The Inland Revenue Department (IRD) had anticipated revenue collections of \$65.24 million for 2023, marking the highest collections for the Ministry at 48.6%. Ultimately, the IRD achieved revenue of \$69.58 million, surpassing the \$62.13 million collected in 2022 and the \$49.50

million from 2021. In total, the IRD experienced a revenue increase of \$4.34 million compared to its initial projections.

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

Taxes	ACTUAL 2023	ACTUAL 2022	VARIANCE
	\$	\$	\$
Stamp Duty – Property	10,931,817	11,683,785	(751,968)
Business & Occupation Licenses	582,387	748,472	(166,085)
Social Services Levy	11,845,135	10,449,853	1,395,282
Wheel Tax	3,010,673	2,936,011	74,662
Licenses – Drivers, Temporary	209,573	203,100	6,473
Licenses – Drivers, Permanent	594,631	610,711	(16,080)
Income Tax	11,231,155	5,966,793	5,264,362
Property Tax	4,143,120	4,255,181	(112,061)
Value Added Tax	21,264,252	18,995,608	2,268,644

Most tax revenues exceeded their actual figures from the previous year, a trend that has not been observed for quite some time. However, certain taxes did not reach the revenue levels of 2022. These include Property Tax, which decreased by \$112,061; Business & Occupations Licenses, which dropped by \$166,085; Stamp Duty-Property, which fell by \$0.75 million; and Licenses – Drivers Permanent, which declined by \$16,080. Additionally, all the aforementioned revenue streams failed to meet their respective budgeted targets. In contrast, Value Added Tax showed a positive trend, surpassing its previous year's revenue by \$2.27 million.

Regulation and Supervision

This segment of revenue collection has demonstrated remarkable performance, surpassing its budgeted target for the year. The actual collection was \$15.61 million compared to its budgeted amount of \$15.54 million resulting in an excess of \$57,987. Some of the revenue sources collected are Annual Fees of \$8.48 million; Penalties –Annual Fees of \$1.37 million; Due Diligence Fees of \$73,130; Registration of Offshore Companies of \$1.73 million and Unclassified of \$2.05 million.

Supply Office

The Supply Office had a target of \$5.50 million and its actual collection was \$6.03 million which resulted in an excess of \$0.53 million. Over the past five years, the Supply Office's actual revenue has been fluctuating from \$6.29 million in 2019; \$5.21 million in 2020; \$5.11 million in 2021; \$5.01 million in 2022.

MINISTRY OF COMMUNICATIONS, WORKS, PUBLIC UTILITIES

This Ministry had a projection of \$7.77 million and its actual revenue was \$6.85 million, recording a shortage of \$0.92 million. In comparison with 2022, the Ministry's actual revenue increased by \$0.28 million from the \$6.57 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% of the total budget. Actual collections from the Water Department were \$5.79 million which fell short of its target by \$0.82 million. Water Rates accounted for \$5.72 million while Water Connections gained \$65,814. When compared to 2022 actual revenue of \$5.33 million, the department's revenue has increased by \$0.46 million.

The second major revenue collection for the Ministry was the Post Office. The Post Office had a budgeted amount of \$609,000 and realized \$613,924. This revenue collection comprised P.O. Box rentals of \$88,690; the Sale of Postal Stamps of \$458,217 and Unclassified revenue of \$67,017. When compared with 2022, the actual revenue has decreased by \$167,840 from the \$781,764 collected.

MINISTRY OF HEALTH, GENDER AFFAIRS

The Ministry of Health had a projection of \$1.64 million and its actual revenue collected was \$1.82 million recording an excess of \$184,465. In comparison to 2022, the projected revenue collection was also set at \$1.64 million and realised collection of \$1.53 million. The Ministry of Health performed better in 2023 with \$1.82 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, unfortunately no revenue was collected, in comparison to revenue collected in 2022 of \$310,487.

At Alexandra Hospital, the budget was set at \$920,000, and the actual revenue collected significantly surpassed expectations, totaling \$1.72 million, which is \$797,048 above the budget.

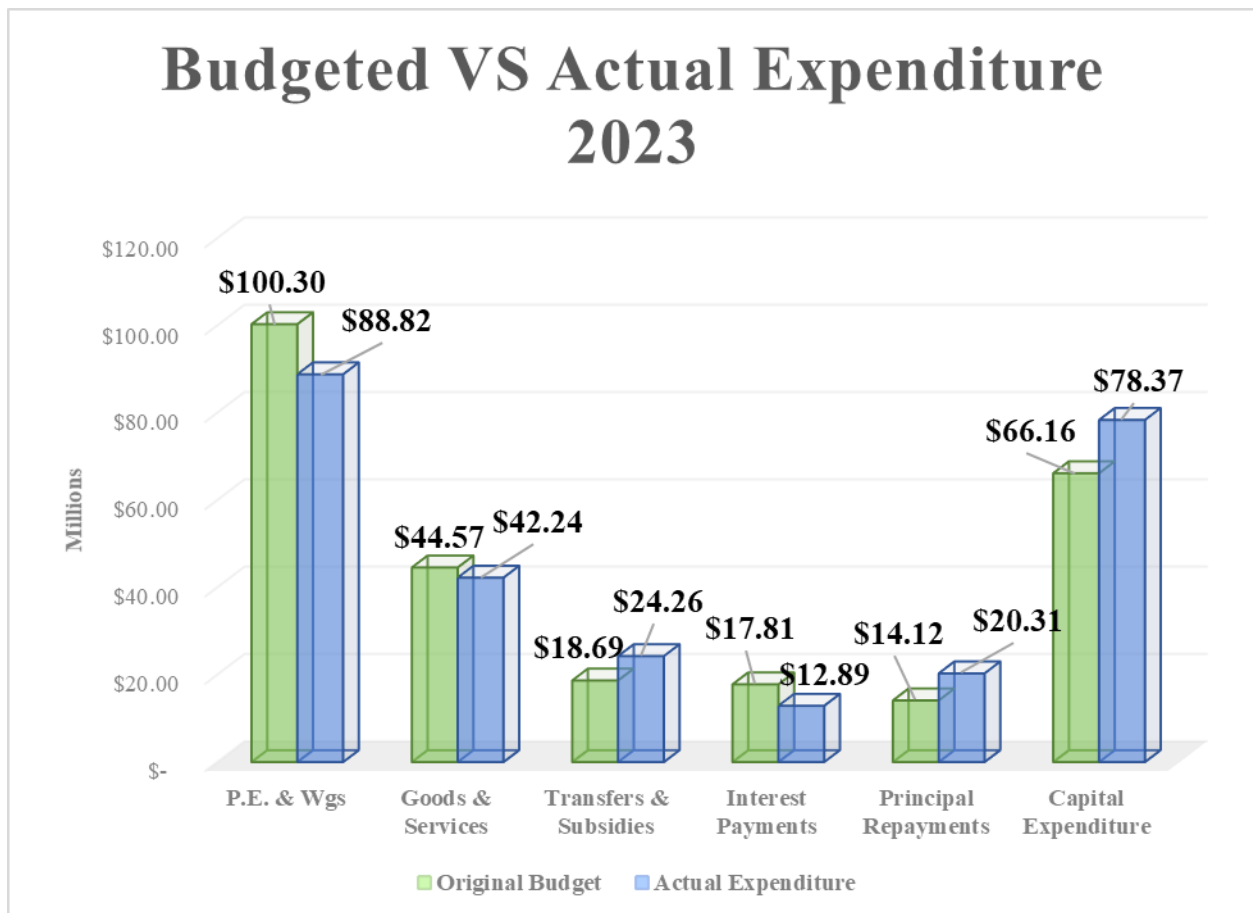
Additionally, the Ministry of Health recorded Unclassified revenue amounting to \$91,665, which represents a decline of \$29,325 from the previous year. This category also fell short of its budgeted target of \$120,000.

4.3 STATEMENT OF EXPENDITURE

On February 20, 2023, the Nevis Island Assembly approved the 2023 Appropriation Act, granting authorization for a total expenditure of \$261.65 million. A collective budget of \$195.49 million was allocated to twelve (12) Ministries for Recurrent expenditure, while seven (7) of the seven Program Heads received a budget of \$66.16 million for Capital Expenditure. This signifies an increase of \$23.93 million or 10.44% compared to the budgeted amount of \$229.04 million in 2022.

The total expenditure reached \$266.89 million, distributed as \$188.52 million to the Recurrent account and \$78.37 million to the Capital account. In summary, the expenditure performance yielded a deficit of \$5.24 million over the budgeted figure. The Recurrent account achieved savings of \$6.97 million relative to the expected amount, whereas the Capital account exceeded projections by \$12.21 million in spending.

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 2023.



Expenditures on Personal Emoluments and Wages rose by \$5.07 million compared to the 2022 figure of \$83.75 million, while remaining within the 2023 budget allocation of \$100.30 million. Transfers and Subsidies amounted to \$24.26 million, exceeding the budgeted \$18.69 million by \$5.57 million. The key components of this expenditure included Gratuity and Pensions at \$15.57 million, Grants and Contributions at \$3.22 million, Public Assistance at \$1.66 million, and Extra Payment totalling \$3.80 million. Additionally, it is noteworthy that Goods and Services achieved a savings of \$2.33 million against the budgeted \$44.57 million, even though the total spending on Goods and Services rose by \$3.52 million from the 2022 actual of \$42.24 million.

During the 2023 financial year, with the exception of two (2) Program Heads, all other Heads kept their spending on the recurrent account well within the budgeted amounts provided. The following tables show some of the savings and the excess on the budget allocation for Ministries with budgeted figures over \$5 million for 2023:

Ministries	BUDGET	ACTUAL	EXCESS
Premier's Ministry	6,773,500	7,004,653	231,153
Ministry of Finance	84,546,000	91,787,350	7,241,350

Ministries	BUDGET	ACTUAL	SAVINGS
Ministry of Communications, Works, et al	17,914,400	15,119,185	2,795,215
Ministry of Agriculture, Lands, et al	9,787,050	8,507,617	1,289,433
Ministry of Health & Gender Affairs	32,240,300	27,386,937	4,853,362
Ministry of Education & Library Services	34,979,900	30,784,817	4,195,083

DEPUTY GOVERNOR-GENERAL

For the year 2023, the Office of the Deputy Governor-General received an allocation of \$604,500. Of this amount, \$448,146 was utilized, resulting in a savings of \$156,354 or 25.7%. The budget for this office saw an increase of approximately \$34,000 compared to the allocation for 2022. Additionally, all other programs successfully kept their expenditures within the allocated budgets.

LEGISLATURE

The Ministry received a budget allocation of \$952,900, representing a 20.5% increase compared to the 2022 budget. Although there was a reduction in budget allocation, the Ministry achieved savings of \$252,877, resulting in an actual expenditure of \$700,023.

The Legislature comprises two program heads: Administration and the Office of the Opposition Leader, both of which achieved savings. The Administration had a budget of \$645,200 and spent \$535,894, while the Office of the Opposition Leader incurred an actual expenditure of \$164,129 against a budget of \$307,700.

LEGAL SERVICES

A total of \$1.20 million was budgeted between two programs: the Legal Department, which received \$1.08 million, and the Company Registry, which was allocated \$114,100. The total expenditure amounted to \$1.14 million, with the Legal Department spending \$1.03 million and the Company Registry spending \$105,766. This led to a total savings of \$59,355, representing about 4.95% of the budget. All programs successfully adhered to their respective expenditure limits.

PREMIER'S MINISTRY

The budget allocated to this Ministry was \$6.77 million, while actual expenditures reached \$7 million. This year, the Ministry experienced an overspending of \$231,153, in contrast to the savings of \$166,726 achieved in 2022. The expenditures for the Premier's Ministry are categorized into four main programmes: Office of the Premier, Registrar and High Court, Magistrate, and Department of Information.

Office of the Premier

This program received a budget allocation of \$4.71 million, which included \$3.49 million for Administration, \$1.09 million for the Security Services Division, and \$137,500 for Public Utilities and Energy. The overall actual expenditure reached \$5.01 million, leading in an over-expense of \$299,706. Among the three units, only the Administration unit exceeded its budget, surpassing its allocation by \$380,616.

Key areas of overspending included Travel and Subsistence, which amounted to \$69,513 against a budget of \$50,000; Wages, which were budgeted at \$610,000 but totaled \$1.06 million; Grants and Contributions, which had a budget of \$500,000 but incurred expenses of \$587,873; and Operating and Maintenance, which spent \$29,022 from a budget of \$25,000. It is important to note that Wages, Grants and Contributions, and Operating and Maintenance are recurring programs that have experienced overspending in previous years.

Registrar and High Court

The actual expenditure for this programme was \$860,172 resulting in \$78,828 being returned as savings on the budgeted amount of \$939,000. Additionally, the actual expenditure for 2023 decreased by 0.9% over the previous year when \$868,419 was spent. However, the budget had a slight increase, moving from \$862,500 in 2022 to \$939,000 for the current period.

Magistrate

The budget set for the Magistrate Court was \$258,500 which increased by \$51,000 from the 2022 budget of \$207,500. The Actual expenditure amounted to \$215,417 which reflected a savings of \$43,083. This programme kept within its budget for the past three fiscal years, returning savings of \$75,826 in 2021, \$10,071 in 2022 and now \$43,083 in 2023.

Department of Information

This department became part of the Ministry in 2023 following the reorganization of several ministries at the beginning of the new fiscal year. The allocated budget for the department was \$864,500, while actual expenditures reached \$917,858, resulting in an overspending of \$53,358. Significant areas contributing to this overspend included Supplies and Materials, which totaled \$12,473 against a budget of \$10,000; Wages, which were initially budgeted at \$205,000 but

amounted to \$261,455; and Rental of Assets, where expenses of \$104,125 exceeded the budget of \$50,000.

MINISTRY OF FINANCE, STATISTICS & ECONOMIC PLANNING

The Ministry of Finance and its nine (9) programmes were allocated a budget of \$84.55 million and had an actual expenditure of \$91.79 million for a net excess of \$7.24 million. Among the nine programmes, only Treasury Department and Supply Office exceeded their budgeted allocations.

Administration

The administration reported an actual expenditure of \$17.95 million, compared to a budget of \$18.93 million, resulting in savings of \$0.98 million. This budget was allocated among the Administration, Central Procurement Unit, Internal Audit, Budget Division, and Economic Policy Division.

The Ministry is responsible for several key expenditure areas related to government-wide services, which include: Telephone expenses totaling \$1.42 million; Medical Insurance costs of \$3.03 million; Claims against Government amounting to \$713,559; and Electricity expenses of \$9.53 million. In total, these areas incurred costs of \$14.01 million for the government in 2022, while the current year has seen these costs rise to \$14.69 million, indicating an increase of \$0.68 million.

It is important to highlight that Claims against Government have been on the rise over the past three years, increasing from \$32,968 in 2021 to \$355,039 in 2022, and reaching \$713,559 in 2023.

Treasury Department

The Treasury Department's budget allocation for 2023 amounted to \$44.59 million, with \$44.07 million designated for Administration and \$524,500 for Accounting Operations. However, the

actual expenditures totaled \$53.18 million, comprising \$52.70 million for Administration and \$474,512 for Accounting Operations, resulting in a budget overrun of \$8.59 million. This year's spending exceeded the previous year's total of \$48.49 million by \$4.21 million.

Significant expenditure categories included Retiring Benefits at \$15.57 million, Domestic Debt servicing costs at \$22.45 million, Overdraft Interest at \$2.57 million, Treasury Bills Interest at \$2.26 million, and Foreign Debt servicing at \$5.93 million. Additionally, the launch of the Non-Established Workers Pension Scheme in 2023 incurred costs of \$1.15 million, which the administration had not fully anticipated and contributed to the overrun in the Retiring Benefits program for the year.

Supply Office

The allocated budget for the Supply Office was \$8.05 million, while the actual expenditure reached \$9.86 million, resulting in an overage of \$1.81 million. In comparison to the prior financial year, this department's spending was \$7.66 million, which yielded a savings of \$13,459 against its budget of \$7.67 million.

Notably, the Supplies and Materials category accounted for 95.5% of the department's total expenditure. Historical data indicates that in 2020, the costs for Supplies and Materials were \$6.53 million; this increased to \$6.84 million in 2021, \$7.23 million in 2022, and surged to \$9.42 million in the current financial year.

MINISTRY OF COMMUNICATIONS, WORKS, PUBLIC UTILITIES

This Ministry was allocated \$17.91 million and had an actual expenditure of \$15.11 million, compared to the \$14.02 million spent in the previous financial year. All seven (7) Programs in this Ministry realized net savings on their budget allocations, to provide the \$2.80 million savings recorded.

Administration

The ministry was allocated a budget of \$1.84 million and spent \$1.19 million, leading to a net savings of \$0.65 million. This budget was distributed across the Administration, Philatelic Bureau, Project Management Unit, and Water Resources Management Unit. The actual expenditures for each unit were as follows: Administration at \$766,939, Philatelic Bureau at \$125,071, Project Management Unit at \$294,234, and Water Resources Management Unit at \$540.

Public Works

The Public Works programme received the largest share of the budget, amounting to \$7.59 million, allocated for various activities including Administration at \$2.92 million, Roads, Bridges, and Minor Works at \$1.71 million, Repair Shop at \$1.26 million, Buildings at \$1.41 million, and the Asphalt Plant at \$282,000. The program reported expenditures totaling \$6.61 million, resulting in a budget surplus of \$0.98 million. Specifically, \$2.50 million was utilized for Administration, \$1.30 million for Roads, Bridges, and Minor Works, and \$1.33 million for Buildings.

Water Department

The department received a budget of \$4.47 million and utilized \$3.68 million, resulting in a net savings of \$798,140. The Administration and Billing Division accounted for expenses totaling \$1.13 million, while the Production Activity incurred costs of \$1.03 million. The Distribution Activity had total expenses of \$1.40 million, and the Quality Control costs were recorded at \$120,160.

MINISTRY OF AGRICULTURE, LANDS, COOPERATIVES

The actual expenditure incurred by this Ministry amounted to \$8.51 million or approximately 86.8% of its assigned budget of \$9.80 million and realizing a savings of \$1.29 million.

The Ministry of Agriculture et al is divided in three (3) programmes; Administration; Department of Agriculture; and Department of Marine Resources. The actual expenditure for each programme was: Administration \$2.98 million; Department of Agriculture \$4.85 million; and Department of Marine Resources \$576,088.

Compared to the previous financial year, this ministry was allocated \$7.18 million and incurred spending of \$6.55 million, and realized a net savings of \$0.63 million.

MINISTRY OF HEALTH, GENDER AFFAIRS AND SOCIAL EMPOWERMENT

The budget allocation for this Ministry amounted to \$32.24 million, marking an increase from the \$22.82 million allocated in the 2022 budget due to the restructuring of the Ministry. The actual expenditure totaled \$27.39 million, which is approximately \$6.87 million higher than the \$20.52 million spent in 2022. Of the seven programs under this Ministry, all achieved savings, contributing to an overall savings total of \$4.85 million for the Ministry.

Public Health

The department was allocated a budget of \$6.78 million, of which \$5.60 million was utilized. Among the seven activities within this Program, significant expenditures were noted in Community Health Services, Environmental Health Services, and the Health Promotion Unit.

Community Health Services received a budget of \$1.76 million and spent \$1.57 million. The budget overruns were primarily in Office and General Expenses, which exceeded its budget by \$17,148 against a limit of \$20,000, and in Supplies and Materials, which totaled \$73,748 against a budget of \$60,000.

Environmental Health Services had a budget of \$1.30 million and spent \$1.14 million, resulting in savings of \$153,816. The Health Promotion Unit's expenditures amounted to \$816,766, against its budget of \$925,900.

Alexandra Hospital

The budget allocation for Alexandra Hospital saw a modest increase to \$12.53 million, up from \$11.38 million in 2022. The actual expenses totaled \$12.06 million, resulting in savings of \$0.47 million. This program encompasses four key activities: Administration, Patient Care, Diagnostic Services, and Domestic and Nutrition Services.

Among these activities, Patient Care accounted for the largest share, with a budget of \$7.75 million and actual costs of \$7.56 million. Significant expenditures within this category included \$6.54 million for Personal Emoluments and Wages, \$248,306 for Supplies and Materials, \$102,406 for Operating and Maintenance, and \$615,074 for Allowances. Notably, Allowances and Operating and Maintenance were the only two categories that surpassed their budgeted limits of \$450,000 and \$65,000, respectively.

The actual spending for the other activities was as follows: Administration and Maintenance at \$2.02 million, Diagnostic Services at \$1.09 million, and Domestic and Nutrition Services at \$1.39 million.

Department of Social Services

The Department of Social Services had a budget of \$3.62 million, allocated across four key activities: Administration received \$1.34 million, Family Services was allocated \$941,000, the Senior Citizens Division was budgeted at \$1.01 million, and the Counselling Unit was set at \$336,200. For the current financial year, the actual expenditures were as follows: Administration spent \$1.36 million, Family Services utilized \$786,292, the Senior Citizens Division incurred costs of \$944,771, and the Counselling Unit expended \$162,728.

MINISTRY OF EDUCATION, LIBRARY SERVICES

The Ministry of Education and Library Services reported an actual expenditure of \$30.78 million for the financial year 2023, resulting in net savings of \$4.20 million compared to the budgeted amount of \$34.98 million. In contrast, the previous financial year saw the Ministry spend \$26.50 million against a budget of \$28.16 million. Over the two-year period, the Ministry has achieved modest savings each year, increasing from \$1.66 million in 2022 to \$4.20 million in 2023.

The total expenditures for the nine programs under this Ministry were as follows: Administration at \$1.83 million; Education Department at \$6.11 million; Primary Education at \$8.45 million; Secondary Education at \$9.65 million; Public Library at \$615,260; Higher and Continuing Education at \$611,693; Department of Information Technology at \$626,941; Department of Youths at \$273,544; and Department of Sports at \$2.61 million. All programs remained within their budget for 2023.

CONCLUSION

The Detailed Statements of Expenditure for 2023 indicate that considerable efforts were undertaken to manage expenditures effectively throughout the year. It is noteworthy that only two categories of the recurrent account surpassed their budgeted allocations, which is a commendable achievement. This has led to a net savings of \$6.97 million in the Budget. Expenditures have indeed resulted in savings compared to the budget; however, they have exceeded last year's amounts by \$11.18 million. This situation invites consideration of whether this increase is linked to a shift towards more lenient spending behaviours post-pandemic, prompting a need for tighter financial management.

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 spending on electricity totalled \$9.53 million, exceeding the allocated budget of \$9.04 million by \$0.49 million. In 2022, the electricity costs were recorded at \$9.64 million, while in 2021, they reached \$9.95 million. The financial records indicates that payments for electricity expenses are not being made in a**

timely manner, leading to several months of outstanding payments. This situation results in these expenses being carried over to the subsequent accounting period, which does not accurately represent the electricity consumption for the current year. It is essential to resolve this matter to improve financial management.

- 2. Audit further identifies a significant issue in the ordering process, particularly the absence of specified quantities for items requested in orders. This deficiency poses a potential risk for fraudulent activities. It is essential for the Ministry of Finance to stress the necessity of accountability regarding government funds within the Accounting System to both new and current staff. Moreover, the presence of missing documents and delays in obtaining source documents from departments raises concerns for the Audit Office. Departments must prioritize the secure storage and management of financial records. By adopting these measures, overall control procedures can be strengthened, thereby mitigating the risk of fund misappropriation.**

4.4 THE CAPITAL ACCOUNT

The capital expenditure budget for 2023 was approved at \$66.16 million that anticipated sources to be from Revenue of \$46.16 million; Loans of \$16.50 million; and Grants or Development Aid of \$3.50 million to support a total of 77 projects.

Actual expenditure for capital projects amounted to \$78.37 million representing an increase of \$12.21 million over the budgeted amount. Of this amount, spending from Revenue amounted to \$39.75 million; Loans amounted to \$35.15 million; and Grants or Development Aid was \$3.47 million. This covered expenditure on 62 budgeted projects and 8 projects that were not budgeted for in 2023. At the end of the 2023 financial year, 15 projects with a combined estimated budget of \$5.72 million had not been started. They consist of projects from prior years that had not commenced or were ongoing in 2022.

Actual Capital Revenue realized was \$83.75 million where the sources came from Loans and Grants of \$13 million and Federal Budgetary Support of \$70.75 million.

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

The Office of the Premier allocated a budget of \$4.55 million, of which \$2.81 million was utilized, resulting in a savings of \$1.74 million. Significant expenditures included \$523,871 for National Celebrations, \$580,535 for Updates of Police Services, and \$1 million for Constituency Empowerment. Notably, all these expenditures exceeded their respective budgeted amounts, with National Celebrations surpassing its budget by \$23,871, Updates of Police Services by \$30,535, and Constituency Empowerment by \$300,000. Additionally, \$84,526 was spent on Land Registry Services, which was not included in this year's budget.

The nine projects that were realised by the Ministry of Finance incurred a total of \$30.85 million from their budget of \$4.65 million, resulting in a net excess of \$26.20 million. Additionally, three significant expenditures were not accounted for in this year's budget: the Purchase of Bus Stops at \$420,084, the Acquisition of Herbert Beach Lands at \$2.17 million, and Compensation for Rest Haven Property amounting to \$25.48 million. Additional projects that deserves attention is the Enhancement of Water Taxi, which recorded spending of \$550,053 and is in its final stages (**refer to cover page**). The Renovation and Restoration project for Charlestown Methodist Church was initially allocated a budget of \$500,000; however, the total expenses ultimately reached \$1 million.

The Ministry of Communications, Works, Public Utilities and Posts had a capital expenditure amounting to \$26.47 million from their budget of \$18.06 million, resulting in a net excess of \$8.41 million. The Ministry spent a total of \$2.23 million on Road Improvement, Water Drilling Programme, Land Settlement, and Land Use Policy Feasibility Study. The Public Works Department spent \$19.89 million on the Road Development Programme, Renovation and Expansion of Government Buildings, and Asphalt Plant Maintenance. The Water Department incurred a total of \$4.02 million on the continuing project for Water Service Upgrade. There was \$79,455 spent on Water Development Program and \$1,283 spent on the VAIA-CG Road Improvement 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 Procurement of Agriculture Equipment incurred a total of \$3.48 million from a budget of \$7.80 million. Major spending was the Feral Animal Control project which incurred a total of \$887,010, Procurement of Agriculture Equipment of \$487,113 and Subvention to Culturama of \$999,425.

The Ministry of Health incurred \$5.05 million, representing 29.4% of its planned budget of \$17.15 million. Of the \$2 million budgeted for the Improvement of Alexandra Hospital, only \$1.01 million was spent. Additional expenditures for the Ministry included the Environmental Work Program at \$1.02 million, the Improvement of Health Facilities at \$318,807, the Procurement of Medical Supplies at \$999,115, and the Community Housing Assistance program at \$309,734. Furthermore, there were two programs that were not budgeted: Skills Training and Empowerment, which cost \$89,337, and the Community Enhancement Program, which incurred \$53,090.

The Ministry of Tourism incurred a total expenditure of \$4.53 million from its budget of \$5.25 million on two projects namely; the Construction of Pinney's Recreational Park and Tourism Product Development. A total of \$3.99 million and \$544,088 were incurred respectively.

The Ministry of Education had a budget for fifteen projects but only incurred costs on eleven projects for the year. From its budget allocation of \$8.70 million, the Ministry incurred a total of \$5.18 million on projects such as the Upgrade and Refurbishment of Schools at \$2.23 million, the Schools Meal Programme at \$76,729, Computerization of Schools at \$228,892, Upgrade and Maintenance of Sporting Facilities at \$1.70 million.

It is recommended that:

- 1. Despite the rise in budget allocations for various Ministries compared to the previous year, there were instances of unplanned expenditures on projects. It was clear that the Administration was making efforts to protect the budget, yet maintaining control over expenses proved challenging throughout the year. Therefore, it is essential for Ministries to thoroughly plan, oversee, and reconcile their capital expenditure projects consistently throughout the year.**

4.5 STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

The Statement of Financial Assets and Liabilities as at December 31, 2023 and 2022 are summarized with comparative data as follows:

	2023	2022
Financial Liabilities/Assets		
Cash and Cash Equivalents	168,406,260	151,576,676
Other Public Funds	81,312,381	77,925,628
Trust Funds	111,252,635	86,168,270
Advances	(40,586,580)	(31,096,448)
Total Liabilities/ Net Assets	320,384,696	284,574,127
Deficit B/fwd	<u>284,574,126</u>	<u>290,868,236</u>
Surplus/ (Deficit) for year	(35,810,570)	6,294,109
Accumulated Deficit	<u>320,384,696</u>	<u>284,574,127</u>

Cash and Cash Equivalents

Cash and cash equivalents at yearend amounted to an overdraft position of \$168.41 million and increased from the previous financial year by \$16.83 million, as the cash position worsened due to the net outflow of such funds during the year.

Advances

At the end of 2023, advances totalled \$40.59 million and increased by \$9.49 million over the previous financial year. The net movement in advances for 2023 was \$7,460 in Personal Advances and \$9.50 million in Other Advances. The net movement in personal advances shows a total of six accounts with activities for the year, along with two new accounts added.

Trust Funds

Trust Funds at the end of the financial year totalled \$111.25 million with a net movement of (\$25.08) 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 \$81.31 million for the fiscal yearend. 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 2023 financial year review is disclosed as \$546,342,346 reflecting an increase of \$23.24 million or 4.44% over the previous year. During this period, the Domestic portion increased from \$485.38 million to \$546.34 million or by \$60.96 million while the foreign portion decreased by \$3.20 million, moving from \$37.73 million to \$34.53 million.

The outstanding Treasury Bills as of the end of 2023 are disclosed at \$130,848,095 and reflect a net increase of \$28.32 million or 27.63% over the previous financial year 2022.

Both the Domestic and Foreign portions of the public debt include Government Guarantees that have shown a decrease throughout the reviewed period. The Foreign Debt Guarantees have been reduced from \$6.20 million in 2022 to \$5.60 million in 2023. On the other hand, the Domestic Guarantees have also reduced by \$2.29 million moving from \$59.45 million to \$57.16 million. It must be noted that the total guaranteed debt accounts for 11.9% of the total public sector debt.

In 2023, a new instrument was introduced: the BON Road Improvement Project – Bypass Road, with a total allocation of \$3.2 million. This instrument recorded a disbursement of \$3.19 million and a principal repayment of \$255,056. By the end of the year, the total principal payments across 23 loans reached \$15.92 million. Additionally, disbursements from the BON Road Improvement Project 2022 amounted to \$7.03 million, accompanied by principal repayments of \$344,749, resulting in an outstanding balance of \$10.69 million. For the fiscal year, there were only two disbursements, as previously noted, totalling \$10.22 million.

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

PUBLIC DEBT:	2023	2022	2021	2020	2019
Domestic	511,811,957	485,377,471	454,296,665	446,473,663	412,230,073
Foreign	34,530,388	37,726,361	40,783,501	45,729,370	49,229,400
Guaranteed –Domestic	57,161,983	59,451,304	44,801,063	45,038,173	38,299,397
Guaranteed – Foreign	5,604,722	6,195,524	7,155,450	8,887,921	10,247,446
Total Debt	546,342,346	523,103,833	495,080,166	492,203,033	461,459,473

ACKNOWLEDGMENTS

To conclude, I wish to convey my sincere appreciation to the team at the Nevis Audit Office for their dedicated efforts in completing the audit assignments for the specified period. Although the National Audit Office bears the ultimate responsibility for the accounts report, it is the Nevis Audit Office personnel who perform the essential groundwork, including vouching, inspections, and analyses. Their steadfast commitment to the task and their adherence to the principle of enhancing accountability are truly praiseworthy.

I would also like to acknowledge the Treasurer and their team for their exemplary work in managing the accounts of the Nevis Island Administration, ensuring they remain current and readily accessible. Furthermore, I extend my gratitude to the staff from other Ministries and Departments in Nevis for their timely and valuable support. The cooperation of all these individuals is vital for the National Audit Office to successfully execute its legislative responsibilities.