

FOURTEENTH SESSION OF THE HOUSE OF REPRESENTATIVES

# SECOND

## REPORT

REPORT FROM	<b>THE JOINT PUBLIC ACCOUNTS COMMITTEE</b>
EXAMINATION OF	<b>THE REPORT OF THE AUDITOR GENERAL FOR THE YEAR APRIL 2016 TO MARCH 2017, REFERRED TO THE COMMITTEE BY THE HOUSE OF REPRESENTATIVES ON 6<sup>TH</sup> FEBRUARY 2026.</b>

---

Office of the Clerk  
National Assembly of Belize  
Independence Hill, Belmopan, Cayo District  
Belize, Central America

## Joint Public Accounts Committee

---

The Joint Public Accounts Committee (JPAC) is the bicameral Parliamentary Financial Oversight Committee constituted by Statutory Instrument No. 44 of 2021 and given effect under Standing Order 74(11) of the Standing Orders of the House of Representatives. The Committee is mandated to consider and report to the House on:

- (a) the accounts showing the appropriation of the sums granted by the National Assembly to meet the public expenditure of the country;
- (b) such other accounts as may be referred to the Committee by the House or under any law; and
- (c) the report of the Auditor General on any such accounts.

### Current membership

Hon. Godwin D. Haylock	<b>Chairperson</b>
Hon. Julius Espat	<b>Member</b>
Hon. Kareem Musa	<b>Member</b>
Hon. Kevin Bernard	<b>Member</b>
Hon. Dolores Balderamos-Garcia	<b>Member</b>
Hon. Lee Mark Chang	<b>Member</b>
Senator, the Hon. Kevin Herrera	<b>Member</b>
Senator, the Hon. Glenfield Dennison	<b>Member</b>
Senator, the Hon. Janelle Chanona	<b>Member</b>

### Committee Secretariat

**Mrs. Clarita Pech**  
**Mr. Manuel Grant**

Clerk to the National Assembly  
Parliamentary Officer I

### Publication

An electronic copy of this report can be found on the National Assembly website: <https://www.nationalassembly.gov.bz>

### Contacts

All correspondence should be addressed to: The Clerk to the National Assembly, Office of the Clerk, Independence Hill, Belmopan, Belize. Tel: (501) 822-2141 | Email: [ClerkNA@bna.gov.bz](mailto:ClerkNA@bna.gov.bz)

## Table of Contents

---

<b>Members of the Joint Public Accounts Committee</b>	<i>1</i>
<b>Foreword from the Chair</b>	<i>2</i>
<b>Executive Summary</b>	<i>3</i>
The strengthening of the JPAC	
The strengthening of the Auditor General's functions	
<b>Introduction</b>	<i>6</i>
<b>Methodology for drafting JPAC report</b>	<i>8</i>
<b>Background: Joint Public Accounts Committee</b>	<i>9</i>
Reforming PAC into JPAC	
Past JPAC Chairs and Reports	
<b>Key Findings and Recommendations</b>	<i>11</i>
Finding 1: Disclaimer of Opinion, Scope Limitations, and Non-Compliance	
Finding 2: Omission of Property, Plant and Equipment (PPE)	
Finding 3: Incomplete Alignment Between IPSAS and FARA	
Finding 4: Material Discrepancies Not Investigated	
Finding 5: Inadequate Storage and Management of Source Documents	
Finding 6: Discrepancies in Bank Confirmation Letters vs. SmartStream	
Finding 7: BTL Employee Trust Account	
Finding 8: Revenue Discrepancies, Excess Expenditure, and the Collection Gap	
Finding 9: Suspected Mismanagement of Belize Defence Force Funds	
Finding 10: Resources and Independence of the Office of the Auditor General	
<b>Conclusion</b>	<i>18</i>
<b>Appendix I – Minutes of Proceedings</b>	<i>19</i>
<b>Appendix II – Transcripts of Public Hearing</b>	<i>31</i>

## Members of the Joint Public Accounts Committee



Hon. Godwin D. Haylock  
Chairperson



Hon. Julius Espat



Hon. Kareem Musa



Hon. Kevin Bernard



Hon. Dolores Balderamos-Garcia



Hon. Lee Mark Chang



Senator, the Hon. Kevin Herrera



Senator, the Hon. Glenfield  
Dennison



Senator, the Hon. Janelle Chanona

---

## Foreword from the Chairperson

---

### ***Opening the Doors of Accountability: A New Era of Transparency***

It is my honour to present this report in my capacity as the Chairperson of the Joint Public Accounts Committee (JPAC). The Committee serves as Parliament's foremost mechanism for ensuring that public funds are expended lawfully and in accordance with the will of the people. After all, the proper stewardship of public resources is not optional - it is essential. The JPAC stands as the institutional safeguard, requiring accountability from those entrusted with the management of the nation's finances.

The role of this Committee is to bridge the gap between audit and accountability. First, the findings from every Auditor General's report will be examined by this Committee. Then the technical financial reports are transformed into meaningful public scrutiny. Crucial to achieving the Committee's goal, public officers and other relevant stakeholders are summoned to testify and present information during live-streamed hearings. The hearings allow for clarifying findings and providing additional context, while giving the public direct, real-time access to this information. By fulfilling its mandate, this Committee stands as a deterrent to mismanagement.

However, the political hurdle that remains to be crossed is the current 10-year delay that it takes for the actual ***Report of the Auditor General*** to reach the House of Representatives. By this time, those questionable public officials listed in the Auditor General's report are often times no longer employed with the Government.

Another notable glitch in our political system is that the reports of this Committee have no legal footing. These reports also need to be transmitted to the Ministries and Departments in question to which recommendations were made. Undoubtedly, a legal obligation must be created, in the Standing Orders, to require them to respond in a positive manner or to resolve the issues raised in the findings.

However, as the JPAC chair, I remain committed to upholding the integrity of this Committee and to advocate to strengthen its legal mandate. Legislative amendments to the JPAC will further empower and ensure that the work of this Committee contributes meaningfully to greater accountability within our government system. The JPAC is not merely a procedural requirement; it is the cornerstone of a responsible government. Ultimately, though, its effectiveness depends not only on its mandate, but on the cooperation and independence of all its members.

It is my hope that this report reflects the shared objective of safeguarding the public purse for the benefit of all Belizeans.

***Hon. Godwin D. Haylock***

*Chair, Joint Public Accounts Committee*

## Executive summary

---

The Joint Public Accounts Committee (JPAC) is the bicameral oversight committee tasked with the duty of examining, considering and reporting on the following:

- the accounts showing the appropriation of sums granted by the National Assembly to meet public expenditure;
- other accounts as may be referred to the Committee; and
- report of the Auditor General.

The Committee presents its Second Report of the Fourteenth Session of the House of Representatives, which details its findings and recommendations following the examination and consideration of the *Report of the Auditor General For the year April 2016 to March 2017*, which was referred to the Committee by the House of Representatives on 6th February 2026.

The Committee held its first meeting on this matter on 2nd March 2026, and a copy of the Minutes is attached to this report. On 13th March 2026, the Committee held its second meeting and a public hearing, receiving testimony from the Auditor General, the Accountant General, the Commander of the Belize Defence Force, and the Financial Secretary.

This report sets out the issues raised and the recommendations proposed by the Committee.

**Based on the Committee's consideration, the following recommendations were made:**

### The strengthening of the JPAC

- To draft explicit provisions in our parliamentary Standing Orders to guarantee that the JPAC operates independently of the Executive; is empowered to select their own issues; and is fully resourced to exercise its Constitutional mandate and power to investigate all government expenses without Executive interference;
- To conduct gap analysis to ensure the JPAC's operational procedures aligns with international best practices towards the improvement of its oversight function and to measure its committee's effectiveness, capacity, and overall impact;
- To allocate dedicated staff, including legal and financial experts, and access to secure e-parliament platforms, digital archives, and data management tools to improve efficiency in reviewing financial reports;
- To review all relevant and related laws towards amendments in support of transactional scrutiny towards systemic reviews, with a push for the JPAC to establish robust, formal, and timely mechanisms for tracking government implementation of the Committee's recommendations; and
- To review all relevant and related laws towards amendments in support of increasing the JPAC's oversight of statutory bodies, state enterprises, offices of Special Envoys et al.

### The strengthening of the Auditor General's functions

- To review all relevant and related laws towards amendments in support of strengthening the relationships with Supreme Audit Institutions (SAIs) or the Office of the Auditor

General to ensure that audits are not just focused on transactions, but on efficiency and value for money;

- To introduce resolution to the National Assembly by the Minister responsible for Parliamentary Affairs to allow for reports of the Auditor General to be publicly available immediately following the submission of the Annual Audit Report, Special Report, or any other matter to the Minister of Finance; and
- To introduce resolution to the National Assembly by the Minister responsible for Parliamentary Affairs to allow the Auditor General to make individual audits public during the financial year, and available via the Auditor General’s website.

The fact that the newest reports available to the Committee is a decade old continues to emphasize the need for all relevant and related legislative steps to be taken to bring these reports up to date. This is essential, given the constitutionally required functions of the JPAC under section 74 (11) of the Standing Orders of the House of Representatives:

***74 (11) Joint Public Accounts Committee***

***The Joint Public Accounts Committee shall have the duty of examining, considering and reporting on –***

- a. *the accounts showing the appropriation of the sums granted by the National Assembly to meet the public expenditure of the country;*
- b. *such other accounts as may be referred to the Committee by the House or under any Law; and*
- c. *the report of the Auditor General on any such accounts.*

It is an undeniable fact that within the entire Commonwealth Caribbean, public funds are primarily lost through deliberate theft (embezzlement), deception (fraud), and careless expenditure (waste). These illicit activities exploit weak oversight and leverage the vast, complex nature of government budget. The true cost of just one area, the embezzlement of public funds within the Commonwealth, extends far beyond the initial stolen amount, causing massive, systemic damage estimated to contribute to a \$3.6 trillion annual global cost of corruption. And just as significantly, the true cost involves the destruction of public trust, degradation of essential services, and stunted economic development. While some embezzled assets are recovered, the damage to infrastructure and public trust is often irreparable.

In other Commonwealth jurisdictions, efforts to strengthen the work of this Committee have been made via structural reforms and capacity-building measures, such as expanding access to expertise and enhancing follow-up mechanisms for audit recommendations. Committees are actively expanding their technical capacity by engaging skilled, non-partisan support staff (such as dedicated committee staff and researchers) and closely collaborating with key offices such as the Office of the Auditor General.

With the rise in “value for money” audits, Public Accounts Committees (PACs) are also adapting their scope via Standing Orders, et al, to assess not just if funds were spent legally but also analyzing whether citizens received adequate services for their tax dollars. We also note that organizations like the Commonwealth Parliamentary Association (CPA) continue to support member legislatures by codifying and sharing these best practices to improve fiscal integrity.

Specific attention is being given to small jurisdictions through the CPA Small Branches network, which provides specialized support for PACs facing resource constraints.

This Committee's authority to investigate government operations, summon public officials, and review state expenditures acts as a vital check and balance on the power of the executive branch, helping to prevent corruption and limit bureaucratic inertia. The JPAC's decision to "take Parliament to the people" in holding public hearings, soliciting community input, and accepting submissions from civil society, this committee is well positioned to provide citizens and experts the opportunity to directly participate in the policy-making process, and attempt to restore the public's confidence when and where trust has been lost. The recommendations contained in this report are meant to ensure that the Government of Belize (GoB) remains transparent, accountable, and responsive to the needs of the electorate.

## Introduction

The *Report of the Auditor General For the year April 2016 to March 2017* was prepared by Ms. Maria Rodriguez, Auditor General, pursuant to Section 120(4) of the Constitution of Belize and Section 16(1) of the Finance and Audit (Reform) Act, 2020. The financial statements were submitted by the Accountant General to the Office of the Auditor General on 10th October 2025. The report was presented to the Prime Minister on 9th January 2026 and referred to the JPAC by the House of Representatives on 6<sup>th</sup> February 2026.

The Committee conducted a public hearing on Friday, 13<sup>th</sup> March 2026, in the National Assembly Chamber, Belmopan. Four witnesses appeared before the Committee:

- ▶ Ms. Maria Rodriguez, Auditor General – testified on audit findings, source documents, bank reconciliation, cooperation challenges, the BDF Fund investigation, and recommendations for legislative reform;
- ▶ Ms. Teresita Miranda, Accountant General – presented on the APSS transition, reconciliation progress, records management, financial statement submission timelines, and strengthening measures;
- ▶ Brigadier General Anthony Velasquez, Belize Defence Force – testified on the BDF Fund matter, measures implemented since 2017, and the status of the internal investigation; and
- ▶ Mr. Joseph Waight, Financial Secretary, Ministry of Finance – testified on legislative reform efforts, the new cashiering system, debt management, land tax collection, asset management, and pension reform.

This report integrates the data from the 448-page Auditor General’s Report with the testimonies received at the public hearing. Where applicable, comparative analysis with the 2015-2016 Auditor General’s Report is provided. The Committee also references the recommendations contained in its report on the 2015-2016 Auditor General’s Report, tabled and adopted by the House of Representatives in February 2026.

### Key Financial Indicators: 2016-2017

Indicator	2016-2017	2015-2016	Change
Total Revenue (Trial Balance)	\$1,260,096,813	N/A	—
Total Expenditure (Trial Balance)	\$1,173,394,583	N/A	—
Cash & Cash Equivalents	\$111,503,997	\$45,676,256	+144.1%
Central Bank of Belize Balance	\$87,210,574	\$6,805,986	+1,181.4%
Government Securities (Debt)	\$1,798,004,200	\$1,518,004,200	+\$280,000,000
Suspense Account (Unreconciled)	\$361,477,127	\$361,477,127	No change
Dishonoured Cheques	\$13,326,917	\$4,389,902	+\$8,937,015
Losses (425 cases)	\$4,957,382	\$4,926,383	+\$30,999
Arrears of Revenue	\$4,883,019	\$4,883,019	No change

---

Customs Revenue Discrepancy	\$94,130,468	N/A	Not previously reported
Excess Recurrent Expenditure	\$66,455,971	N/A	89 cost centres
BDF Fund (Receipts under investigation)	\$234,733	N/A	Scope est. \$7M+

**Source: Compiled by the Office of the Clerk from the Report of the Auditor General for the Financial Year April 2016 to March 2017, with comparative figures from the 2015-2016 Report.**

---

## Methodology for drafting JPAC report

---

The JPAC created its own methodology to ensure effectiveness, and to comply with its statutory functions under the Standing Orders of the House of Representatives. This section outlines the process adopted by the Committee in arriving at its findings and recommendations.

During the fifth meeting of the Committee held on 2<sup>nd</sup> March, 2026, members made inquiries and expressed areas of concern in the *Report of the Auditor General For the year April 2016 to March 2017*.

In the fifth meeting of the Committee, members agreed on the following:

- To establish a set of findings within the Report to pursue further;
- To conduct a public hearing based on the findings;
- To select and invite public servants with relevant information to attend a public hearing;
- To create priority areas for each public officer to focus on at the hearing; and
- To schedule a date for the public hearing.

A proposal was then drafted to determine which public officer(s) would be best suited to answer any concerns surrounding the findings. It was agreed that four (4) government officials would be invited to the public hearing. The Committee also agreed on the order in which the public hearing would be conducted.

A sixth meeting of the Committee was held on 13<sup>th</sup> March, 2026. During this meeting a public hearing was held in which the government officials attended and participated.

A seventh meeting was held on May 20, 2026. In the meeting, Committee members agreed on the following:

- To convene subsequent JPAC meetings to formulate recommendations;
- To table a report to the House of Representatives upon the conclusion; and
- To follow up with Ministries in question to see implementation of the Committee's recommendation.

---

## Background: Joint Public Accounts Committee

---

### Reforming PAC into JPAC

The Government led by Prime Minister John Briceño created the Joint Public Accounts Committee (JPAC) in its current bicameral version. The reform of the old Public Accounts Committee (PAC) was largely driven by former PAC Chairman, Honourable Julius Espat. He advocated vociferously in the House of Representatives, for many years, about the committee's composition being unreasonably set in favour of protecting a ruling government from facing scrutiny over public mismanagement.

Statutory instrument No. 44 of 2021 amended the Standing Orders of the House of Representatives, restructuring PAC from having only members from the House of Representatives to JPAC which now comprises of 9 members from both the Upper House and Lower House.

The most significant change in the creation of JPAC was that it must include three members from among the social partner members of the Senate, none of whom are aligned with any political party. The presence of non-partisan Senators introduced an additional layer of independence. Alongside them are six members from the House of Representatives - four drawn from the Government and two from the Opposition. This balanced and inclusive structure is intentional. It brought together a diverse Committee, combining political representation with independent voices. But most of all, it fosters an environment that prioritizes national interest over partisan consideration. JPAC is designed to produce findings and recommendations that commands respect from the government of the day.

Another notable feature of the Committee is its leadership structure. The Chairmanship is held by a member of the Opposition. This arrangement, though uncommon in many other committees, is fundamental to the credibility and independence of JPAC. It ensures that oversight of government expenditure is not directed by those responsible for that expenditure, but rather by those tasked with holding it to account. This structural choice enhances public trust and reinforces the Committee's role as an impartial arbiter of financial propriety.

Additionally, the decision to “take Parliament to the people” in holding public hearings, soliciting community input, and accepting submissions from civil society, this committee is well positioned to provide citizens and experts the opportunity to directly participate in the policy-making process, and attempt to restore the public's confidence when and where trust has been lost.

### Past JPAC Chairs and Reports

The first chairperson of the JPAC was Honourable Tracy Panton. She held her first committee meeting in June 2021. Under her leadership, Hon. Panton played a pivotal role in the actual reactivation and implementation of the JPAC. Her stewardship was marked by successfully convening regular JPAC meetings. As chair, Hon. Panton championed greater transparency in the examination of public expenditure and encouraged bipartisan engagement. Honourable Tracy Panton served as chair from June 2021 to November 2024, and shortly thereafter became the Leader of the Opposition.

Honourable Lee Mark Chang became the second chair of the JPAC following the general elections in 2025. He is accredited for presenting the first report from the JPAC to the House of Representative on the *Report of the Auditor General For the year April 2015 to March 2016*. It

included the adoption of a Minority Report on the *Report of the Auditor General For the year April 2012 to March 2013*. Honourable Chang served as chair of the JPAC from October 2025 to February 2026.

Currently, Honourable Godwin D. Haylock serves as the third chairperson. His first committee meeting as the chair of the JPAC was held on 2<sup>nd</sup> March, 2026.

## Key Findings and Recommendations

### Finding 1: Disclaimer of Opinion, Scope Limitations, and Non-Compliance

In the *Report of the Auditor General For the year April 2016 to March 2017*, the Auditor General has once again expressed a disclaimer of opinion on the accompanying financial statements of the Accountant General's financial position as of 31<sup>st</sup> March, 2017. This is the most serious form of audit opinion. It is saying that the Auditor General cannot form an opinion at all because they were unable to gather sufficient evidence and means the financial statements cannot be relied upon. The Auditor General reproduces the following text at page 8 of the report:

*"3. We do not express an opinion on the accompanying financial statements of the Accountant General's Department. Due to the significance of the matter described in the Basis of Disclaimer of the Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements."*

*4. The Accountant General's Department has been maintaining its accounting records both manually and electronically in the SmartStream Accounting System. Records or documentation were missing or were not provided as supporting evidence for the year ended March 31st, 2017. As a result of this, the Office of the Auditor General was unable to perform audit procedures on financial statements assertions made by the Accountant General's Department and to verify key account balances in its financial statements for the year ended March 31st, 2017. The Office of the Auditor General concludes that the possible effects on the financial statements of undetected misstatements could be both material and pervasive.*

The basis for the disclaimer is identical in both 2015-2016 and 2016-2017: missing records and insufficient supporting evidence. The Auditor General testified that she does not expect a "clean" opinion "anytime soon" and confirmed that this situation is likely to persist "for at least the next eight years."

The Accountant General testified that financial statements for 2017-2018 are expected to be submitted to the Auditor General in April 2026, with subsequent years through 2020-2021 potentially following during 2026, subject to the Auditor General's processing timelines. While this trajectory, if achieved, would represent meaningful progress, the Committee notes that it does not alter the Auditor General's assessment that a clean opinion remains unlikely for several years.

The Committee notes that the disclaimer arises directly from scope limitations. The **"unavailability" of public officers** to present information on the financial statements to the Office of the Auditor General and the Accountant General continues. Finance Officers were not submitting returns to the Accountant General, which are necessary for the preparation of financial statements. The Committee further notes that of 25 accounting officers required to submit quarterly arrears of revenue returns, only 4 complied, 3 of which were nil returns. The Income Tax Department was the only entity that submitted an actual arrears figure. All other revenue-collecting entities provided no information whatsoever. The true arrears position of the Government is therefore unknown.

In the Committee's opinion, this constitutes a violation of the law.

Under Section 13(4) of the Finance and Audit (Reform) Act, 2011, **"every public officer who makes a default in the supply of information to the Auditor General, or wilfully supplies false**

or misleading information, or otherwise wilfully obstructs the Auditor General in the discharge of his or her duties under this Act, shall be subject to disciplinary action by the competent authority, without prejudice to any criminal liability, which may be incurred where the act or omission alleged is an offence under the Criminal Code, Cap 101 or any other law.”

### **Recommendation:**

The Committee recommends that, as noted by the Office of the Auditor General at points 5 and 6 (Page 8) respectively, given that those charged with governance are responsible for overseeing the Accountant General’s financial reporting processes, all those managers responsible for the preparation and fair presentation of the financial statements in accordance with relevant and related regulatory requirements and best practices must give an account for the failure to ensure that the financial statements are free from material misstatements, whether due to fraud or error.

The Committee further recommends that all CEOs, Finance Officers, and other officials in the respective ministries who are named in the report as having failed to supply relevant information to the Auditor General be required to give a written account to the Financial Secretary (FS) so that the FS can inform the JPAC as to the reasons for their non-compliance. It is further recommended that the Financial Secretary enforce the quarterly submission of arrears of revenue reports by all 25 accounting officers. The Committee highlights the following:

- the financial statements cannot be relied upon due to pervasive absence of source documents; (2) and (5) only 4 out of 25 accounting officers submitted arrears of revenue returns as required by law.

### **Finding 2: Omission of Property, Plant and Equipment (PPE)**

The Auditor General notes, at page 10 of the report, that the financial statements for 2016-2017 do not include a Property, Plant and Equipment (PPE) account balance, which represents a “significant omission. This omission materially understates government assets, making the financial statements incomplete and potentially misleading to users. This also affects asset management, depreciation and long-term planning.”

### **Recommendation:**

The Committee aligns with the recommendations proposed by the Office of the Auditor General, following interviews conducted 19<sup>th</sup> December, 2025, that the Accountant General should:

- a) Perform a comprehensive review and valuation of all government PPE, including land, buildings, machinery, motor vehicles, IT and office equipment and furnishings;
- b) Prepare a detailed fixed assets register and supporting documentation to facilitate transparency and accountability;
- c) Record adjusting journal entries to reflect the accurate value of these assets in the Statements of Assets and Liabilities in accordance with the requirements of International Accounting Standards (IAS) 16;
- d) Implement a system of ongoing monitoring and updating of the asset register to ensure accurate future reporting and compliance with international accounting standards.

### **Finding 3: Incomplete Alignment Between IPSAS and FARA**

The Auditor General notes there is incomplete alignment between the International Public Sector Accounting Standards (IPSAS) Cash Basis Requirements and the Finance and Audit (Reform) Act (FARA) reporting obligations. Without clear mapping of IPSAS and FARA requirements, the financial statements may lack understanding for stakeholders and risk noncompliance.

#### **Recommendation:**

The Committee aligns with the Auditor General's recommendations that the Accountant General's Department should establish a reporting structure that clearly integrates both IPSAS cash basis requirements and FARA, 2011 specific disclosures.

### **Finding 4: Material Discrepancies Not Investigated**

The Auditor General's findings identified material discrepancies in several account balances, notwithstanding their quantum, which were not investigated nor adjusted by the Accountant General's Department. These include a discrepancy of \$20,874,488.54 (page 33 of the Report) between the Statement of Changes in Net Assets and the Statement of Financial Performance, and a \$361,477,127 (page 84 of the Report) suspense account under Other Current Assets that has had no entries since March 2015 and is recorded as "unreconciled revenue".

#### **Recommendation:**

The Committee recommends that the Accountant General, as a matter of urgency, investigate all material discrepancies identified during the preparation of the audit of the financial statements for 2016-2017. The Committee aligns with the assertion of the Auditor General that "*failure to investigate and adjust such discrepancies results in financial statements that do not fairly present the financial position of the Government of Belize. Necessary adjusting entries should be made using appropriate supporting documentation and with proper approvals.*" The Committee further recommends that the Accountant General provides a full accounting of the suspense account to the Financial Secretary so that the FS can thereafter inform the JPAC.

### **Finding 5: Inadequate Storage and Management of Source Documents**

The Auditor General has identified that the storage, organisation and accessibility of necessary source documents were inadequate to comply with relevant and related laws. Three (3) storerooms were inspected: one had no 2016-2017 documents, a second had only a limited portion, and a third was mould-affected and unsafe for staff. Only one storeroom had an electronic register.

#### **Recommendation:**

The Committee aligns with the recommendations of the Auditor General that efforts to improve the storage and management of source documents must continue. The Accountant General should proceed by:

- a) Ensuring all files are properly sorted by fiscal year and account with clear labels for ease of access;
- b) Maintaining a standardised log and register in all storerooms to track location and movement (handling) of documents;

- c) Taking immediate measures to address mould, humidity-related issues and other environmental risks to prevent further deterioration of records;
- d) Assigning dedicated personnel to oversee filing and ensure consistent implementation of document-management procedures across all locations;
- e) Exploring the digitisation of government financial records, including a cost-benefit analysis comparing the expense of long-term physical storage (including climate-controlled facilities) against the cost of digital conversion and maintenance, so that any decision to proceed is made on an informed basis.

### **Finding 6: Discrepancies in Bank Confirmation Letters vs. SmartStream**

The Auditor General’s report identifies that in correspondence and/or confirmation letters from the Accountant General regarding bank accounts, there are discrepancies in either the account name not matching with the account name in the SmartStream system, and that funds are not listed in SmartStream that are tied to bank accounts belonging to the Government of Belize. This results in an understatement/underreporting of cash and cash equivalents in the financial statements in the millions of dollars. The Auditor General found that account balances within Cash and Cash Equivalents are “*apparently incomplete and inaccurate.*”

#### **Recommendation:**

The Committee aligns with the Auditor General’s recommendation that the Accountant General should ensure that all bank account balances are confirmed immediately after the year end and that any discrepancy between the bank confirmation letter and the actual bank accounts are investigated promptly. The Committee further recommends that bank reconciliations should be carried out on a monthly basis as a matter of standard practice, as this is the fundamental internal control for ensuring the integrity of the government’s financial records. The Committee requests that status report be prepared to the Accountant General and sent to the Financial Secretary to confirm whether monthly reconciliations are currently being conducted, and if not, the reasons for non-compliance so that the FS can further inform the JPAC of same.

#### ***Note on Correction Received from the Auditor General***

By letter dated 10th March 2026 (Reference No. 008/2026 (06) Vol. II), the Auditor General formally advised the Clerk of the National Assembly of a typographical error on page 62, Table 8 of her report, regarding Account #311063 – ES GOB – Debt Service Escrow Account, which had been reported with a material difference of \$19,489,652.02. The Auditor General confirmed that no actual difference exists and that the error was clerical. A corrected version of Table 8 has been incorporated into the record.

### **Finding 7: BTL Employee Trust Account**

At page 98 of the report, the Auditor General notes that in accordance with Clause 5.1(b)(i) of the Settlement Agreement, the government is obliged to pay the BTL Employee Trust 50% of the amount per Telemedia share determined by the Arbitral Tribunal for 11,092,844 shares plus interest minus any amounts paid as partial trust compensation. However, the payment of US\$7,986,484.00 was not reflected in the account in the 2015-2016 financial statements and was instead recorded in the expenditure account, with the related entry some \$10,000,000 short. The Auditor General notes at page 102 of the report that there has been no third-party confirmation to verify the existence, completeness and accuracy as to the Belize Telemedia balance. The Auditor

General also cites lack of adequate source documentation and insufficient verification procedures for reported investments. The Auditor General goes on to emphasize, “*This creates a risk of material misstatement and potential non-compliance with accounting standards regarding investments in associates.*”

### **Recommendation:**

The Committee aligns with the recommendations of the Auditor General that the Accountant General should:

- a) perform a timely and accurate reconciliation of the related accounts for this transaction to ensure completeness and accuracy;
- b) obtain independent third-party confirmation from Belize Telemedia Limited at year end to validate the existence and accuracy of the reported balance;
- and c) maintain adequate supporting documentation to strengthen internal controls and compliance with accounting standards

### **Finding 8: Revenue Discrepancies, Excess Expenditure, and the Collection Gap**

The Committee draws attention to the Auditor General’s report highlights her significant concerns regarding government revenue and expenditure that emerged from the Auditor General’s Report and from testimony received at the public hearing.

#### ***The \$94.1 Million Customs Revenue Discrepancy***

The Auditor General’s report identifies that Customs and Excise revenue figures recorded in the ASYCUDA system exceeded the amounts recorded in SmartStream and the financial statements by \$94,130,467.85. The root cause is the existence of revenue-collecting data silos: the Customs Department uses ASYCUDA, while the Belize Tax Service, Magistracy, and the Lands Department all maintain separate systems that are not integrated with SmartStream. The apparent inference is that revenue collected by these entities may never appear in the government’s accounting software.

#### ***Excess Expenditure: \$66.5 Million***

The Auditor General’s report states that Recurrent Expenditure Statement showed that even after supplementary budgets totalling \$23,730,780.74 were included, actual expenditure of \$1,049,379,709.88 exceeded the revised budget of \$982,923,738.74 by \$66,455,971.14.

Approved Budget 2016/2017	Supplementary	Revised Budget	Actual Expenditure	Excess
\$959,192,958.00	\$23,730,780.74	\$982,923,738.74	\$1,049,379,709.88	(\$66,455,971.14)

**Source: Report of the Auditor General, page 189, Table V: Total excess expenditure 2016/2017.**

#### ***Land Tax: The Collection Gap***

During the public hearing of 13<sup>th</sup> March 2026, the Financial Secretary testified that the land tax collection potential is estimated at \$60-70 million annually, but that only approximately \$8 million (15-16%) is collected, leaving approximately \$52 million uncollected each year. Over a decade,

this would appear to represent over half a billion dollars in lost or waived revenue. In his public testimony, the Financial Secretary cited outdated property records and contact information as obstacles.

**Recommendation:**

The Committee recommends that SmartStream be urgently integrated with all external revenue systems (including ASYCUDA, Belize Tax Service, Magistracy, and the Lands Department) so that all government revenue is captured in the accounting software. The Committee requests a written explanation from the Finance Secretary and Ministry of Finance identifying the obstacles to integration and a timeline for resolution. The Committee further recommends that the Ministry of Finance, in collaboration with the Ministry of Natural Resources, present a comprehensive plan to address the land tax collection gap, including modernisation of property records and transfer of collection functions to the Tax Administration department.

**Finding 9: Suspected Mismanagement of Belize Defence Force Funds**

The Committee highlights the findings of the Auditor General regarding the suspected mismanagement of Belize Defence Force Funds. In his testimony at the public hearing, Brigadier General Anthony Velasquez informed that funds collected from international army forces were deposited into a non-public bank account (one not controlled by the Government of Belize). In her report, and again during the Public Hearing, the Auditor General maintains her conclusion that the total amounts of funds that should have been deposited into the bank account could not then and cannot now be quantified since receipt books, deposit slips and invoices were not presented. As per testimony made before the JPAC at its public hearing on March 13th, 2026, BDF Commander Brigadier General Anthony Velasquez asserted that the Force has improved transparency but conceded that the true quantum of the funds may be quite significant – estimated at north of \$7 million based on investigative reports generated from investigation Funds from related agreements, including with Singapore, were not seen as deposited into any bank account. At the time of the writing of the Auditor General’s report, the Captain involved was not available for an interview due to study leave.

**Recommendation:**

The Committee maintains that such instances of possible mishandling/mismanagement must be fully ventilated. The Committee therefore aligns with the recommendations of the Auditor General that the Chief Executive Officer of the Ministry of Defence should require that the Captain involved in this matter provide a full accounting of the funds he signed for as the receiver, and that the unofficial receipt book used by the Captain involved be handed over to assist in quantification of total deposits. The Committee recommends that since the Captain has since returned to Belize post study leave, the Commandant of the BDF require that the Captain make himself available to the Office of the Auditor General so that the quantum of the funds can be determined and any necessary and appropriate measures be taken to restore public trust. The Committee further requests that the BDF provide to the Financial Secretary any internal investigation reports related to this matter so that the Financial Secretary can provide those reports to the JPAC.

**Finding 10: Resources and Independence of the Office of the Auditor General**

The Committee notes the Auditor General’s assertion that, notwithstanding its independence as set out in the Constitution of Belize, its effectiveness and efficiency depends heavily on the timely

and meaningful collaboration with the Ministry of Public Service to address human resources matters and with the Ministry of Finance on financial matters, such as the purchase of fixed assets. The Auditor General's report asserts that responses from the Ministry of Public Service in several HR matters experience significant delay, and requests for fixed assets (such as a vehicle for the Belize City office to conduct field work) remain pending.

The Committee highlights section 118(6) of the Constitution, which provides that the budgets presented by the offices of the Auditor General, the Ombudsman, the Contractor General, the Elections and Boundaries Commission, the Integrity Commission, the Director of Public Prosecutions, the High Court, and the Court of Appeal **“shall be given first priority calls on the Consolidated Revenue Fund.”** The Committee further notes section 120(3), which provides that the Auditor General **“shall have access to all books, records, returns, reports, and other documents” related to public accounts.**

**Recommendation:**

The Committee recommends that the obstacles to timely responses from the Ministry of Public Service and the Ministry of Finance be identified so that they can be promptly addressed in support of ensuring the effective and efficient operations of the Office of the Auditor General, consistent with the Constitutional first priority call on the consolidated revenue fund as provided by section 118(6) of the Constitution of Belize.

## Conclusion

---

The recommendations in this report highlight an urgent need to transition from reactive, adversarial practices to proactive, independent, and legally binding financial scrutiny and continuous monitoring to ensure compliance. Robust oversight requires systemic improvements across the entire accountability chain. While many citizens may view government's financial statements as abstract, Belizeans directly experience the impact of public spending through the quality of local infrastructure and service delivery from its public institutions. Financial scrutiny must then remain firmly connected to quality service delivery and tax administration.

The impact of public funds generated or obtained as loans and grants must be tangibly felt in the daily lives of citizens. Effective oversight by bodies such as the JPAC is essential to restoring public trust in the management of public funds. Stronger oversight ensures that waste, fraud, and embezzlement are accurately identified and that responsible parties face meaningful consequences. This accountability framework will deter future misuse of funds and guarantee that public finances are optimized for the benefit of Belizeans.

The Committee resolves that upon adoption of this report by the House of Representatives, copies shall be transmitted to all relevant ministries and offices identified in the report, with a request that the Financial Secretary, Auditor General and Accountant General appear before the JPAC within three months to provide an update on the implementation of the Committee's recommendations.

## **Appendix I – Minutes of the Committee**

---

## **Appendix II – Transcripts of Public Hearing**

---

### **Testimonies of March 13th, 2026**

Testimony of Auditor General of Belize, Maria Rodriguez

Testimony of Accountant General of Belize, Teresita Miranda

Testimony of Commandant, Belize Defence Force, Brigadier General Anthony Velasquez

Testimony of Financial Secretary of Belize, Joseph Waight

**Minutes of the Fifth meeting of the Joint Public Accounts Committee, held in the Committee Room No. 1 of the National Assembly, Independence Hill, Belmopan.**

**Monday, 2<sup>nd</sup> March 2026**

**PRESENT:**

Hon. Godwin Haylock, Chairperson Designate  
Hon. Kevin Bernard  
Hon. Dolores Balderamos-Garcia  
Hon. Luis Balona – Alternate (Hon. Julius Espat)  
Hon. Lee Mark Chang  
Senator, the Hon. Kevin Herrera  
Senator, the Hon. Glenfield Dennison  
Senator, the Hon. Janelle Chanona

**ABSENT:**

Hon. Julius Espat  
Hon. Kareem Musa

Also present at the meeting were Mrs. Clarita Pech, Clerk to the National Assembly, and Mr. Manuel Grant, Parliamentary Officer I.

The meeting commenced at 1:43 P.M.

**1.0 Election of Chairperson.**

1.1 Hon. Lee Mark Chang announced his resignation as Chairperson of the Joint Public Accounts Committee and nominated Hon. Godwin Haylock to serve as the new Chairperson. Senator Janelle Chanona seconded the nomination. There being no other nominations, and in accordance with Standing Order 75, Hon. Godwin Haylock was elected as Chairperson of the Joint Public Accounts Committee.

**2.0 Confirmation of Agenda.**

2.1 The Clerk confirmed that the proposed agenda had been circulated to all members. Senator Glenfield Dennison moved that the agenda be confirmed. Senator Janelle Chanona seconded the motion. The agenda was confirmed.

**3.0 Approval of Minutes.**

3.1 Senator Glenfield Dennison noted corrections to the minutes from 26th November 2025: the signature block should reflect Pro Tem Chairperson, and Hon. Lee Mark Chang should

be listed as absent. Senator Dennison moved approval with corrections. Senator Janelle Chanona seconded. The Committee approved the amended minutes.

#### **4.0 Matters arising from the Minutes.**

- 4.1 Senator Kevin Herrera raised concerns that the Committee is reviewing decade-old data, rendering reports almost irrelevant. Senator Herrera emphasized that responsibility for timely reports rests with the Ministry of Finance (Accountant General, Financial Secretary, and ultimately the Prime Minister). Senator Herrera recommended that: (1) every ministry should have dedicated internal auditors to test controls in near real-time, enabling external auditors to rely on that work; and (2) budget approval should be dependent on more current audit processes to ensure accountability.
- 4.2 Hon. Kevin Bernard noted that the Ministry of Finance currently has an internal audit committee visiting ministries periodically, and suggested Finance Officers could act as internal auditors. Senator Herrera and Senator Chanona clarified that Finance Officers cannot audit themselves as this violates the adversarial principle of auditing. Senator Herrera stated that dedicated internal auditors would pay for themselves within a quarter through identification of leakages. Senator Dennison supported this position, noting that without tangible data on losses and potential recovery, the Committee would continue circular discussions, and that a solutions-based approach is needed.
- 4.3 The Clerk informed the Committee that an Internal Audit Bill is scheduled for presentation at the next House meeting. Senator Chanona recommended the Committee schedule its own meeting to review the Internal Audit Bill after it is referred to the Finance Committee, to obtain clarifications and share experiences.
- 4.4 Hon. Lee Mark Chang recalled the Committee previously agreed to complete multiple years of reports to catch up to current years. Senator Chanona clarified that the Committee can only act on reports referred to it by the House, and that the priority action items can be advanced while awaiting additional reports from the Auditor General's office.
- 4.5 Regarding Action Item 1 (Independent consultant review), the Clerk reported that the UNDP request was submitted meeting the deadline, with a meeting scheduled for 5th March 2026 to determine if UNDP can provide the requested forensic consultant and forensic accountant. The Clerk informed the Committee that the Commonwealth Parliamentary Association (CPA) has agreed to provide training in May 2026, including a mock sitting to train the Committee on structuring questions and reviewing reports. Senator Dennison requested that a manual be developed from the training for current and future members. The Clerk agreed and will share Terms of Reference for feedback.
- 4.6 Regarding Action Item 3 (budget request), the Clerk confirmed a draft letter exists and will be circulated for Committee review. Hon. Dolores Balderamos-Garcia recommended removing the phrase "please accept assurances of our highest consideration" as this is reserved for foreign correspondence.

#### **5.0 New Business.**

##### **5.A Review of Report of the Auditor General for the Year April 2016 to March 2017.**

- 5.A.1 Senator Janelle Chanona directed members to page 8, noting the Auditor General issued a disclaimer of opinion identical to the 2015-2016 report, stating insufficient audit evidence exists to provide an opinion on the financial statements due to lack of supporting documentation. Senator Herrera explained this indicates a scope limitation where information cannot be relied upon, emphasizing the need for internal auditors to maintain documentation. The Chairperson and Senator Herrera noted this represents a circular problem.
- 5.A.2 Senator Dennison stated that public hearings serve to shift public perception of what is acceptable, put public officers on notice, and create accountability, noting that while politicians receive criticism, public servants control information and process disbursements. Senator Herrera acknowledged hearings operate as "name and shame" to inform the public of the situation's severity.
- 5.A.3 Senator Chanona proposed using specific case studies rather than general discussions. The Committee reviewed the 2016-2017 report and identified six priority areas for public hearing examination: (1) Suspected mismanagement of Belize Defence Force funds (page 232) - \$234,733.07 in discrepancies; (2) Inadequate organisation and accessibility of source documents (page 12); (3) Account balances not reconciled and public officers' unavailability to present information (page 14); (4) Significant material differences between Central Bank and SmartStream balances (page 62) - discrepancies totaling \$42 million, \$19 million, \$3 million, and \$1.4 million; (5) Bank account not listed on trial balance (page 63) - \$75,000 discrepancy; (6) BTL Employee Trust settlement (page 98) - US\$24 million payment not reflected in records.

## **5.B Timeline for Review and Public Hearing(s).**

- 5.B.1 The Clerk confirmed the 60-day deadline for reporting to the House falls in the second week of April 2026. After discussion of member availability and budget schedule constraints (budget introduction 10th March, debate 23rd-25th March, House recess beginning 28th March), the Committee agreed to hold the public hearing on Friday, 13th March 2026, commencing at 9:30 A.M.
- 5.B.2 The Committee agreed to invite five officials: (1) Representative from Belize Defence Force; (2) The Financial Secretary; (3) The Accountant General; (4) The Auditor General; (5) The official responsible for storage of financial documents within the Ministry of Finance. Invitations should specify the six priority areas identified, requesting officials come prepared with relevant source documentation.
- 5.B.3 The Committee agreed on hearing format: convene in Committee Room for housekeeping, suspend and move to Chamber for public testimony, resume in Committee Room to finalize the draft letter to Ministry of Finance.

## **5.C Priority Recommendations for Reforms.**

5.C.1 The Committee agreed members would individually review the 2016-2017 report and submit priority recommendations, noting earlier reports contain applicable recommendations. Action Item 2 (information session with Public Service Commission) was scheduled for May 2026, following CPA training.

**6.0 Any Other Business.**

6.1 The Chairperson raised for Committee consideration the establishment of a grace period for meeting commencement. The Committee agreed that meetings may commence ten minutes after the scheduled start time with members present, to avoid wasting time.

6.2 The Chairperson requested guidance on whether a Deputy Chairperson position could be established to assist with Committee workload, noting that Senators have been particularly helpful in providing information and support. The Chairperson suggested this could provide continuity as senators provide stability in the Upper House while House members change with elections.

6.3 The Clerk advised that Standing Orders do not provide for a Deputy Chairperson position. The Clerk explained that the Joint Public Accounts Committee is a Standing Committee of the House, and Standing Order 75 specifies that in the temporary absence of the Chair, the next-ranking Opposition member shall act as Chairperson. The Clerk confirmed that both Standing Orders and the Constitution require that the Committee be chaired by an Opposition member of the House.

6.4 Senator Dennison noted that Standing Orders can be amended if necessary. The Committee did not pursue formal action on this matter.

**7.0 Adjournment.**

7.1 Hon. Lee Mark Chang moved for adjournment. Senator Glenfield Dennison seconded the motion. The meeting was adjourned at 3:24 P.M.

**Confirmed,**

**(HON. GODWIN HAYLOCK)  
Chairperson**

**Minutes of the Sixth meeting of the Joint Public Accounts Committee, which was held in the Committee Room of the National Assembly, George Price Center, Belmopan.**

**Friday, 13<sup>th</sup> March 2026**

**PRESENT:**

Hon. Godwin Haylock, Chairperson  
Hon. Kareem Musa  
Hon. Oscar Mira, Alternate (Hon. Julius Espat)  
Hon. Lee Mark Chang  
Senator, the Hon. Kevin Herrera  
Senator, the Hon. Janelle Chanona

**ABSENT:**

Hon. Julius Espat  
Hon. Kevin Bernard  
Hon. Dolores Balderamos-Garcia  
Senator, the Hon. Glenfield Dennison

Mrs. Clarita Pech, Clerk to the National Assembly, and Ms. Tiarrah Bedran, Parliamentary Officer I, were also present.

The meeting was called to order at **9:43 A.M.**

**1. Confirmation of Agenda.**

1.1 The agenda, which had been circulated to all Members, was reviewed and confirmed without amendment. Senator Chanona moved, and Senator Herrera seconded, the confirmation of the proposed agenda.

**2. Approval of Minutes.**

2.1 Senator Chanona moved, and Senator Herrera seconded, that the draft Minutes of the meeting held on 2<sup>nd</sup> March 2026, be approved. The minutes were approved without corrections.

**3. Matters Arising from the Minutes.**

3.1 *Internal Audit Bill, 2026:* Senator Chanona raised the matter of the Bill which is scheduled for discussion by another House Committee on Monday, 16<sup>th</sup> March 2026. The Clerk confirmed that the Bill was introduced on 10<sup>th</sup> March 2026, and that it is available on the National Assembly website. The Committee agreed that Hon. Musa, Hon. Espat, and Hon. Chang, who are also Members of the reviewing committee, be authorised to provide JPAC's initial feedback at that Committee's meeting. The Clerk was asked to share a copy of the Bill with all JPAC Members.

- 3.2 *UNDP and CPA Training:* The Clerk reported that the scheduled meeting with UNDP was held and that the outcome appeared promising; the Committee would be notified upon receipt of UNDP's official position. Regarding the CPA training, the Clerk informed that proposed dates are being expected for an in-person training. Senator Chanona noted that the National Assembly recess begins on 28<sup>th</sup> March and resumes on 9<sup>th</sup> May 2026, and so, she recommended scheduling training after the resumption. The Committee agreed.
- 3.3 Senator Herrera raised the importance of preserving the independence of the internal audit function, noting that the internal auditors' reporting should, in his view, be to the JPAC. Senator Chanona supported this position, emphasizing the need for both independence and accountability in the structure of oversight offices.

#### 4. **New Business.**

- 4.1 No new business was raised. The Committee agreed to conduct its Public Hearing.

The meeting was suspended at **10:01 A.M.**

The meeting was resumed at **10:14 A.M.** in the National Assembly Chamber.

#### 5. **Public Hearing.**

- 5.1 In his opening remarks, the Chairperson welcomed the Committee Members, the witnesses, the media, and the public following via live stream. He noted that the hearing forms part of the Committee's examination of the Auditor General's Report for the Financial Year April 2016 to March 2017, which was referred to the Committee by the House of Representatives on 6<sup>th</sup> February 2026, and emphasized the Committee's non-partisan responsibility to strengthen accountability in public financial management.
- 5.2 The first witness who appeared before the Committee was Ms. Maria Rodriguez, Auditor General. Ms. Rodriguez has served at the Office of the Auditor General for 26 years, and, since her appointment in March 2025, she has submitted two annual reports. Key points raised and discussed included:
- ▶ A typographical error on page 63, Table 8, was identified by the Committee and acknowledged by the Auditor General in a letter dated 10<sup>th</sup> March 2026; the error repeated a figure from the previous row, creating the appearance of a \$19 million difference; Ms. Rodriguez confirmed the entire report was re-reviewed, and no further errors were found;
  - ▶ The 2016-2017 report carries a disclaimer of opinion, meaning the Auditor General could not confirm the reliability or accuracy of the financial statements due to incomplete source documents; this remains an ongoing issue affecting current audit operations;
  - ▶ Source documents were severely lacking across three storerooms: one had no documents for 2016-2017, a second had minimal records, and a third was infested

with mould; source documents are a shared responsibility between line Ministry Chief Executive Officers and the Accountant General and should be prepared in triplicate; the Auditor General confirmed that this issue persists in the present day;

- ▶ Several government entities did not cooperate with the audit: the then Chief Executive Officer of the Lands Department did not respond to requests; more recently, Belize Agricultural Health Authority (BAHA) and the Border Management Agency refused entry claiming they are not government entities; the Auditor General stated this will be reported in a subsequent annual report;
- ▶ Bank reconciliation is not being carried out across the system, including at the Accountant General's Department and individual Ministries; a suspense account has accumulated over \$1 million with no source documents to trace original transactions, though its usage has since decreased;
- ▶ SmartStream is not fully aligned with the Finance and Audit (Reform) Act (FARA); certain required statements were not presented and delayed postings result from insufficient staffing; debt management is being carried out by the Ministry of Finance rather than the Accountant General as stipulated by the Financial Orders, creating an overlap in responsibilities;
- ▶ Under FARA, section 13(4), public officers who do not provide information to the Auditor General could be liable to court action, but the Office lacks a legal officer, and enforcement would require engaging the Attorney General's Ministry;
- ▶ Ms. Rodriguez recommended the digitisation of government financial records, noting that most transactions originate electronically and that her Office has already begun maintaining records digitally.

5.3 The Committee proceeded to examine the Auditor General's findings on the Belize Defence Force (BDF) Fund. Ms. Rodriguez reported:

- ▶ An Atlantic Bank account was found operating "off the books" with no cash book; the then Commander of the BDF had entered into arrangements with foreign military forces from the United States, Singapore, and Germany for jungle training ("military tourism") without authorisation from the Financial Secretary;
- ▶ An agreement and corresponding deposits were found only for the United States; no agreements or deposits were found for Singapore; for the Germans, a payment of \$152,442.10 was made to a private business owned in part by a BDF member, operating from a residential address with no visible business activity;
- ▶ The funds were reportedly returned to the BDF Fund account, but the Office has not audited the account since and cannot confirm that the funds remain; expenditure from the account was not aligned with its stated purposes; a full expenditure report will appear in the next annual report;
- ▶ No civil or criminal proceedings were pursued; the original unredacted report with names was submitted to the Ministry of Defence in 2017, and it can be provided to the Committee separately, if requested.

The Public Hearing was briefly suspended at **11:16 A.M.** and resumed at **11:27 A.M.**

5.4 The second witness who appeared before the Committee was Ms. Teresita Miranda, Accountant General. Ms. Miranda has served the Government of Belize for almost 32 years, primarily at the Treasury, and her office has submitted two financial statement reports. Ms. Miranda delivered a PowerPoint presentation, addressing matters raised in her letter of invitation. Key points raised and discussed included:

- ▶ The imbalance between the trial balance and the Central Bank confirmation letter was traced to the introduction of the Automated Payment and Security Settlement System (APSS) in October 2016, which increased Central Bank entries from 275 to over 42,640 transactions; the differences originated in accounts payable and payroll clearing accounts due to the requirement for manual posting, which has since been resolved;
- ▶ The Financial Reporting Unit, established in 2024-2025, is focusing on reconciliation of the Central Bank account from 2023 to present; staff retention remains a critical challenge, with a resignation received the day before the hearing from an officer trained for six months;
- ▶ Financial statements for 2017-2018 are expected to be submitted to the Auditor General in April 2026; statements for subsequent years through 2020-2021 are prepared and, subject to the Auditor General's processing timelines, up to three additional years could potentially be submitted during 2026;
- ▶ Legislative changes to permit submission of multiple financial statements simultaneously remain under consultation with the Financial Secretary and the Auditor General; a proposal is expected by the end of 2026;
- ▶ A Heritage Bank account identified in the report is not a revenue account and may relate to a donor or project; requests for information were sent to the Ministry of Economic Transformation and Heritage Bank; a Circular No. 9 was issued to include the Treasury in all government bank accounts;
- ▶ Strengthening measures implemented include: weekly training for the reconciliation unit, standardised bank statements, monthly verification of bank balances by the Assistant Accountant General, International Public Sector Accounting Standards (IPSAS) certification training for Finance Officers, development of a short-term strategic plan, and a new cashiering system for real-time recording and automatic classification of revenue transactions;
- ▶ Records management: Ms. Miranda presented photographs of the previous state of storage and outlined the cleanup across three locations, resulting in 1,664 banker's boxes, 500 stacks, and 425 additional boxes now organised; two full-time records officers are assigned at the Eleanor Hall building; a Records Officer post has been submitted for the new South Ring Road location; digitisation is being explored in coordination with the National Archives, with infrastructure and legislative amendments to the Financial Orders of 1965 required;

- ▶ Significant improvement in source documents is expected from 2023 onwards; the Treasury now verifies payments above \$10,000.00, addressing the previous practice of splitting larger payments into amounts below the verification threshold;
- ▶ There is no comprehensive historical fixed assets register; a project through SmartStream and the Procurement Unit is underway; the Assets and Utilities Management Unit (AUMU), within the Ministry of Finance, has current but not historical data;
- ▶ Ms. Miranda agreed with all recommendations made by the Auditor General in the 2016-2017 report, noting the variances are understood and correctable but require additional time and staffing; on losses reporting, the Accountant General can only report losses that Finance Officers submit; a circular has been issued and officers are being deployed to Ministries to retrieve this information.

The Public Hearing was suspended at **12:40 P.M.** and resumed at **1:38 P.M.**

5.5 The third witness who appeared before the Committee was Brigadier General Anthony Velasquez, of the Belize Defence Force, who was appointed at the end of January 2026, with over 31 years of service in the BDF. Brigadier General Velasquez was stationed in Guatemala as military attaché during the 2016-2017 period. He assured the Committee that the measures taken, since the incidents in 2016-2017, have created a framework of accountability, with no major breaches of propriety in the BDF non-public funds since that time. Key points raised and discussed included:

- ▶ The Commander at the time was Brigadier General David Jones, who engaged foreign military forces for jungle training without obtaining authority from the Financial Secretary; the deposit of \$152,442.10 into the BDF Fund account came from a local source, most likely the private business identified in the Auditor General's report, approximately one year after the training activity;
- ▶ Measures implemented include: Standing Orders issued by the Ministry of National Security for non-public funds; the creation of an Inspector General post; the establishment of a dedicated Belize Jungle Warfare School account at the Ministry of Defence; and a separation of BDF accounts into seven distinct accounts: BDF Fund; Welfare Fund; Val Gardner Day Care Fund; Benevolent Fund; Non-Commissioned Officer Club; Officers Mess; and Warrant Officer/Senior Non-Commissioned Officer Mes; these accounts are overseen by the Senior Funds Manager, Deputy Commander, through the G4/Financial Logistics Officer; (can we spell out the abbreviations, please?)
- ▶ Disbursements now require a Funds Committee comprising the Commander of the Belize Defence Force, the Chief of Staff, the Force Sergeant Major, and the Services Battalion Commander, with at least three signatures for approval and two signatories on each cheque; foreign military training requires the diplomatic route through the Ministry of Foreign Affairs to the Ministry of Defence, with possible Cabinet approval;

- ▶ The individual identified in the investigation was demoted and discharged through internal disciplinary proceedings; all actions were overturned by the civil courts, and the individual returned to the BDF; the Financial Intelligence Unit (FIU) and police investigations produced no charges; the individual is expected to retire in 2026; multiple individuals were likely involved but only one was formally charged;
- ▶ Based on investigative reports, the potential scope of the matter was estimated at north of \$7 million; no foreign military training agreements have been executed since 2017, though the option remains available with ongoing partner nation engagement;
- ▶ The BDF has since established a legal department with a lawyer in charge, two officers studying law, and paralegal-trained personnel; annual audits of all BDF accounts are now conducted.

5.6 The fourth witness who appeared before the Committee was Mr. Joseph Waight, Financial Secretary, with approximately 45 years in the Government of Belize, including approximately 20 years as Financial Secretary. Key points raised and discussed included:

- ▶ Mr. Waight recommended qualifying the historical financial statements and focusing resources on current and forward years, describing the backlog work as “archaeology”; he recommended drawing a line, acknowledging historical issues, and directing effort toward ensuring proper systems are in place going forward;
- ▶ A new cashiering system contract was signed that morning, linking each payment to a unique invoice number for improved reconciliation; the chart of accounts has been expanded to a 15-digit system capable of tracking expenditure by category; the government is minimising physical cash transactions and exploring digital wallets;
- ▶ Two major pieces of legislation are being drafted with international assistance from the Caribbean Regional Technical Assistance Centre (CARTAC), the Caribbean Development Bank (CDB), and the Inter-American Development Bank (IDB): a new Public Financial Management Act, the drafting is nearly complete, requiring extensive consultation, and a new Procurement and Asset Disposal Act; a Fiscal Strategy Plan, prepared with World Bank assistance, is to be tabled by 23<sup>rd</sup> March 2026;
- ▶ On BAHA and the Border Management Agency denying the Auditor General access, Mr. Waight confirmed that legal advice was obtained, and it is clear that these entities fall within the Auditor General’s jurisdiction as parastatals receiving government funding;
- ▶ Land tax collection represents a significant revenue gap: the potential is estimated at \$60 million to \$70 million annually, but only approximately \$8 million, which is 15% to 16%, is collected, leaving an estimated \$45 million uncollected each year; proposals to transfer collection to the Tax Administration department have not yet been implemented, with outdated property records cited as an obstacle;

- ▶ Fixed asset management: the government is moving toward accrual accounting, requiring a comprehensive asset register; progress has been made on vehicle tracking and disposal; new purchases are being recorded going forward, with historical assets to be valued;
- ▶ Mr. Waight emphasised the need for refresher training within the public service and identified the mandatory retirement age of 55 as problematic, resulting in loss of experienced personnel; pension reform is under review by a subcommittee of senior public officers and union representatives, with the non-contributory pension system described as unsustainable.

The Public Hearing concluded at **3:16 P.M.**

The Committee resumed its meeting in the National Assembly Chamber.

## **6. Any Other Business.**

6.1 The Committee agreed to the following:

- ▶ The staff of the National Assembly will create a SharePoint file for collaborative drafting of the JPAC Report on the 2016-2017 Auditor General's Report, with access provided to all Members of the Committee;
- ▶ Friday, 24<sup>th</sup> April 2026, was established as the deadline for Members to submit additions and input to the draft report;
- ▶ The JPAC report is to be submitted to the House of Representatives at the first meeting after the National Assembly parliamentary recess, targeted for 11<sup>th</sup> May 2026.

## **7. Adjournment.**

Hon. Musa moved, and Hon. Mira seconded, that the meeting be adjourned.

The meeting was adjourned at **4:05 P.M.**

**Confirmed,**

**(HON. GODWIN HAYLOCK)  
Chairperson**

Friday, 13<sup>th</sup> March 2026 – Public Hearing

**PUBLIC HEARING COMMENCED – 10:14 A.M.**

**MS. MARIA RODRIGUEZ – AUDITOR GENERAL**

**MS. M. RODRIGUEZ (Auditor General):** Good morning. I call this public hearing of the Joint Public Accounts Committee to order. I would like to extend a warm welcome to my fellow Members of the Committee, representatives from the Office of the Auditor General, representatives from the Accountant General's Department, invited witnesses, members of the media, and members of the public who are following today's public hearing through the live stream.

Today's hearing forms part of the Committee's examination of the Auditor General's Report for the Financial Year April 2016 to March 2017, which was referred to the Committee by the House of Representatives on 6th February 2026, for the Committee's examination and consideration. Before we proceed, I would like to acknowledge the Members of the Committee who are present today: Hon. Oscar Mira, Hon. Kareem Musam, Hon. Lee Mark Chang, Senator Janelle Chanona, Senator Kevin Herrera.

The Joint Public Accounts Committee, JPAC, as it is shortened, plays a critical role in Parliament's oversight of public finance. The committee is tasked with examining the reports of the Auditor General and reviewing matters relating to the expenditure of public funds to ensure that the public resources are used efficiently, transparently, and in accordance with the law.

The work of this committee is therefore not partisan in nature. Rather, it is about strengthening accountability and promoting sound financial management in the public service. Today, the committee will hear from several witnesses in relation to matters arising from the Auditor General's report for the financial year April 2016 to March 2017. I wish to thank the Office of the Auditor General, the Accountant General's Department, the Ministry of Finance, and the other institutions represented here today for their cooperation with the committee's work.

With those remarks, we will proceed with our first witness. Madam Clerk, can you kindly invite the Auditor General, Mrs. Maria Rodriguez, to join us?

Thank you for appearing before the committee today. The committee appreciates the important work carried out by the Office of the Auditor General in preparing these reports, which provide the foundation for the committee's examination of public expenditure. At this time, I will invite you to provide any brief opening remarks that you may wish to make before members proceed with their questions.

**MS. M. RODRIGUEZ (Auditor General):** Good morning, everybody. Good morning, Honourable Senators and Members of the JPAC Committee. My only opening remark is to say thank you for the oversight that you're doing, and I appreciate the process.

**HON. G. HAYLOCK (Chairperson):** For the viewers out there listening to us today, could you please just give us a brief synopsis of what you do within the Ministry, how long you've been there, and how many reports you've provided already?

**MS. M. RODRIGUEZ (Auditor General):** Sure. I have been at the Office of the Auditor General for 26 years. Upon being appointed in March last year, I have submitted two annual reports to the National Assembly.

Our work is to carry oversight, review of the budget expenditure and how it has been spent, and provide external audit support to the National Assembly.

**HON. G. HAYLOCK (Chairperson):** I now open the floor to the committee members for questions. Honourable Chanona?

**SEN. J. CHANONA (Non-Governmental Organizations):** Good morning, Madam Auditor General, and thank you. Good to see you again. I just wanted to bring to the floor a letter dated March 10 that was shared with the committee.

I would like to think that the JPAC had a role in helping the Office catch this, and I think it's important that when we read these things, then these things come up. So, I just wanted to give you an opportunity to talk about that, please.

**MS. M. RODRIGUEZ (Auditor General):** Yes, and I thank you so much for that, and this is why I'm saying that the oversight role is very important, because who checks me? We have this joke in office. My staff calls me a robot for many reasons, and I've been trying to tell them that I'm also human, but I really appreciate the fact that you highlighted that for me so that I can go into it and be prepared for a response.

When I saw it, I was firstly devastated, because at work we try our best to have this quality control, but I am grateful that I have the opportunity to write to you, and we have this working relationship, that I can come to you and tell you where I have heard and where I can make things better. Yes, so what happened in page 63 of the book, the table there, it's table 8, what we try to present to the National Assembly is that there have been differences that we noted between confirmation letters that we received from the Central Bank and what the government's marketing system is saying. So I saw that there is a typographical error that repeated the number from the previous row at the bottom, so it made it appear that there is a difference of 19 million, when in reality that row doesn't belong there any at all.

**SEN. J. CHANONA (Non-Governmental Organizations):** AG, notwithstanding, and I believe that would have led you, as a professional you've been for the last 26 years, to go over all the other tables.

**MS. M. RODRIGUEZ (Auditor General):** Absolutely, we took the time and we stayed up late, and I believe Mr. Grant got this letter late, on the 10<sup>th</sup> because I made sure to review the entire book once again to make sure that there is nothing else that we need to bring to the attention of this committee. Thank you.

**SEN. J. CHANONA (Non-Governmental Organizations):** So, notwithstanding that sole typographical error, I did note that once again the report for 2016-2017 is preceded by a disclaimer. Can you please walk through, for the public's awareness and information, what that means?

**MS. M. RODRIGUEZ (Auditor General):** Yes, unfortunately once again we were not able to receive complete and full details of the source documents for the transactions presented in the financial statement. In the report I mentioned that we made our own attempt to go to these storerooms, because if you're saying you don't have it, then let's go and find out ourselves that you don't have it. And indeed, it was very difficult and tedious process to obtain information from the Accountant General's storeroom, for several reasons quoted in the report, but we also attempted to go to individual line ministries, which also caused difficulty in getting information to substantiate what was presented in the financial statement.

**SEN. J. CHANONA (Non-Governmental Organizations):** Going there, because my next general question would have also been to highlight that at several instances you note exactly that. I believe one ministry in its entirety, I believe it was the Ministry of Natural Resources at the time, you couldn't even meet with someone there.

**MS. M. RODRIGUEZ (Auditor General):** No, and I am glad that this is being highlighted, because many instances the executive says to my staff, I'm not available, or they simply don't respond, and then I don't have where to go. Where do I go to say, "they don't want to make themselves available."

So, I think that is very important to highlight at this point, separate and distinct from the Parliament, the executive has to make themselves available to answer queries from the Office of the Auditor General.

**SEN. J. CHANONA (Non-Governmental Organizations):** Because I believe in solution-orientated problem solving, is this something that needs to be addressed legislatively in terms of consequences, or how would you recommend to this committee in terms of highlighting next steps to address what is apparently a perennial issue?

**MS. M. RODRIGUEZ (Auditor General):** First and foremost, as parliamentarians, you do have governance overview of these ministries, and I believe it starts from you. So, it would be good that from this end, going to cabinet, informing them and informing their CEOs that this cannot happen again. Because I'm going to continue to report if you're not making yourself available to me.

**SEN. J. CHANONA (Non-Governmental Organizations):** Just to highlight, because, and we will get to the fact that we're talking about a 10-year-old report, but is it then your position that I'm hearing that this remains an ongoing issue as you proceed with your auditing duties in terms of live issues?

**MS. M. RODRIGUEZ (Auditor General):** It is an ongoing issue, and unfortunately, one of the root causes is improper handing over. The new people that are there will say, well, I wasn't here 10 years ago, I don't know anything about it. But it shouldn't be that way.

The regulations give way for proper handing over. When someone leaves, somebody else needs to get proper handing over to know what they are receiving. You just don't take it on, and you don't know what you're getting.

And to add to that, when we get to the Belize Defence Force report, that is exactly what I want to mention, because the findings are 10 years old, but I'm not certain if today, we're talking today, if that BDS fund is being managed the way it's supposed to be managed.

**SEN. J. CHANONA (Non-Governmental Organizations):** I will yield for now, Chair.

**HON. G. HAYLOCK (Chairperson):** Herrera, you can go ahead.

**SEN. K. HERRERA (Business):** Thanks, Chair. Good morning again, Auditor General. It's always good to have you here to explain what is going on within the system for us. I mean, you are really our eyes and ears with respect to what's happening within the various departments and ministries. And you play an extremely important role in the whole accountability aspect of it.

I'd like to, first of all, reiterate the continuing situation we have with the disclaimers that continue to come along. And I must say that given the way the system is set up right now, I don't believe that we would be able to get a clean opinion anytime soon. Would you confirm?

Would you concur with that?

**MS. M. RODRIGUEZ (Auditor General):** I do concur. Unfortunately, we have heard from the Accountant General before, and this situation is ongoing for at least the next eight years, where they are not able to get full documentation to support the information in their financial statements.

**SEN. K. HERRERA (Business):** And the reason given for these disclaimers, and can you explain, before I get into that question, explain to the committee what a disclaimer means? I know you explained why you gave one, but what does a disclaimer mean?

**MS. M. RODRIGUEZ (Auditor General):** It essentially means that I cannot confirm the reliability of the financial statements, nor their accuracy.

**SEN. K. HERRERA (Business):** And does that also mean that these financial statements cannot be relied on by users?

**MS. M. RODRIGUEZ (Auditor General):** Fully agree. The statements, the way they are presented, we cannot rely on them at this point.

**SEN. K. HERRERA (Business):** So, to a large extent, these financial statements are relatively useless, except that it gives an insight into the situation that exists.

**MS. M. RODRIGUEZ (Auditor General):** Yes, yes. It's basically numbers that we cannot confirm. And as such, as Auditor General, I don't want to say everything is okay, because we cannot confirm them. The lack of reconciliation, the lack of source documents. I might add that every transaction that is reported in the financial statement should come with a source document, because it's something that should reflect on SmartStream, which is a government system. Every transaction has to have a source document.

So, what I think is happening, or happened back then, is that they were posting, but did not have any intent of retaining the source document to show what they were posting.

**SEN. K. HERRERA (Business):** Given that the evidence is source documents, and source documents are important in accounting, because it really, what it refers to is the beginning of a transaction, and so the reference to that is extremely important to see where a transaction originated, and whether or not the controls were implemented when those were taking place. Would you concur with that?

**MS. M. RODRIGUEZ (Auditor General):** I fully concur with you. Without a source document, there's no way that you can guarantee what transpired really transpired. Typical examples is when you go to make a simple purchase to any business, if you don't get an invoice back from that business to go and pay, you don't know what you're paying for.

And we've done investigations where the invoices that are attached to the SmartStream payment, and then you visit the business, the business has a completely different source document than what the accounting offices have in their ministries. So, you find that while we're paying for a tablet, that person actually got a laptop. So, source documents are very important for us to review, because you have to see the transaction itself on paper on what is being paid from the system.

**SEN. K. HERRERA (Business):** So, would you agree that given the situation with the source documents, that the system is open to be defrauded by those who would seek to do that?

**MS. M. RODRIGUEZ (Auditor General):** Several of our fraud investigations are because of the lack of documentation and supervision to ensure that what should be there is there. So, I do agree that at this point, even the losses, if there was any, we cannot even quantify to the assembly as to whether there was any loss, because you cannot go through a bank statement, you cannot go through check stubs, you cannot go through reconciliations to see what has transpired. So, there is a high possibility that fraud may have occurred and we cannot pick up on it.

**SEN. K. HERRERA (Business):** These source documents, before I ask that question, would you be able to give an idea of how big the source document issue is?

**MS. M. RODRIGUEZ (Auditor General):** Without these source documents, there is no way my staff can test any of the transactions given in the financial statement. We cannot test for accuracy for occurrence. If they occurred, if the transaction even occurred, we cannot go that far.

So, these assertions cannot be given to the National Assembly. So, considering that my staff visited those storerooms and we visited line ministries, it is really a big systematic issue. Nobody is really worrying or concerned about these source documents. And it's not something ten years ago? It is existing right now. We can visit entities and they are saying they don't have documents for present year, because while we are doing backlogs of financial statements, my staff is still involved in auditing entities for the present fiscal year.

**SEN. K. HERRERA (Business):** I notice in one of your points you made in your report, you said for 2016 and 2017 in one of these storerooms, I believe, that you found no source documents at all.

**MS. M. RODRIGUEZ (Auditor General):** One had none. None for the year that we are auditing. None for 2016-2017. They had for previous years that we have already completed. Second one we found minimal, so we know that these records exist. It is just a matter of continuous searching.

And then the third one was impossible, because it was infested with mould and it was not adequate for even my staff to be searching in that way.

**SEN. K. HERRERA (Business):** Who in the system, in your view, is ultimately responsible for the source documents?

**MS. M. RODRIGUEZ (Auditor General):** It is a shared responsibility. It is a shared responsibility between the executives, the CEOs and their ministries. However, ultimately, because all these records are sent to the Accountant General, at that level, it will be her responsibility to ensure she has source documents for every transaction that she presents in her financial statement.

**MS. M. RODRIGUEZ (Auditor General):** Who is responsible for the storage? Are they keeping these records? I know that they go to the Accountant General at some point, but she would be able to keep all of those in her office, because obviously she would be crowded out.

Once they leave her, who is responsible for the upkeep of those records, or the safekeeping of those records?

**MS. M. RODRIGUEZ (Auditor General):** So what happens in the service? These documents should be prepared in three copies. Original, one to be sent to the accountant general, and one to be sent to my office.

If I don't receive it, I assume she doesn't receive it either. So that's another non-compliance issue. When these things are prepared, they should be prepared in triplicate. So that I get a copy, she gets a copy. And yes, we are running out of space when it comes to storage. So I, at some level, understand why her storage issue has arrived at that point.

Even when we moved the Smart Stream back in 2000, it was envisioned that she would be receiving all these copies, original copies of transactions. So, she's keeping these records. So, if they're not being sent to her, that's another non-compliance issue that needs to be addressed as well.

**SEN. K. HERRERA (Business):** Moving on to the availability of public offices during the report, that should be one of the last complaints we should get within the system, given that everyone should want to assist in the process in terms of bringing accountability within the system. When you ran into those issues, would you have reported that to the CEO in that particular ministry?

**MS. M. RODRIGUEZ (Auditor General):** Well, in this case, if you will see, we wrote to the CEO to invite her for the meeting, and the CEO did not respond. So it went as high as the CEO.

**SEN. K. HERRERA (Business):** When you say the CEO did not respond, it means that person just ignored your request for cooperation within the department.

**MS. M. RODRIGUEZ (Auditor General):** You see, when they don't respond, that's how exactly it looks. It could be that they missed my email. It could be that it went to spam. It could be that it went to the junk. But we ensure to copy their Finance Officer. So even if the CEO did not see, someone within the management team would have seen the email and could have brought it up to the CEO's attention.

So clearly, that is how it appears that you do not want to collaborate.

**SEN. K. HERRERA (Business):** This was across the ministries?

**MS. M. RODRIGUEZ (Auditor General):** Of course, 2016-2017, we did have some delayed responses, but most people responded. I highlighted the Lands Department because the Lands Department is part of our regulations in the financial orders to review for arrears of revenue.

**SEN. K. HERRERA (Business):** And the CEO in that ministry did not respond to you?

**SEN. K. HERRERA (Business):** He did not respond to the request for meeting.

**SEN. K. HERRERA (Business):** Was that ever reported to the minister?

**MS. M. RODRIGUEZ (Auditor General):** No. My direct contact with the parliament is through the Clerk of the National Assembly, but I'm going to take that as a suggestion to probably do it the next time.

**SEN. K. HERRERA (Business):** On the reconciliations, I know that there are some big areas. One was source documents which bring scope limitations to your audit. And the other was really a control issue with reconciliations, and that seemed pervasive within the system.

Could you perhaps elaborate in terms of how bad that reconciliation process within the government system is?

**MS. M. RODRIGUEZ (Auditor General):** Yes. So, at the level of Accountant General's department, reconciliation is highly, highly important. She manages all the bank accounts for the government.

And what we saw is that these commercial bank accounts were not being reconciled. Not even the ones from Central Bank are being reconciled. It's a big problem.

But even in individual ministries, when you visit and do individual audits of these ministries, bank reconciliation is not being carried out. It's a big issue. Circumstances or excuses are that we have too much to do, it's too much in our hands, and I have nobody to do reconciliation.

But reconciliation is part of the accounting process. There's no way you can tell yourself that I manage a bank account and I don't reconcile. In the private sector, that's a no-no.

So, it should not be ignored. That process is essential to our check and balance of what we are paying, what we are receiving. So, I do believe it's a big issue within the entire service.

**SEN. K. HERRERA (Business):** And you specifically mentioned the bank accounts, but there are reconciliations in other areas as well that are not taking place.

**MS. M. RODRIGUEZ (Auditor General):** Yes, definitely. It seems not to be a practise. It has been ignored for many years.

Even when you highlight it to them, this is important, the excuses are, I don't have who to do it. But Finance Officers are employed for that reason, to reconcile the bank accounts. And yes, some of them do have a lot of work, I agree.

But this is part of the job description.

**SEN. K. HERRERA (Business):** I think in your audit you highlighted additions to assets as well, that there were discrepancies there. And those discrepancies are likely as a result of---

**MS. M. RODRIGUEZ (Auditor General):** lack of bank reconciliation, exactly.

**SEN. K. HERRERA (Business):** And as well as the accounts payable, I think there's another term you used.

**MS. M. RODRIGUEZ (Auditor General):** There is the accounts payable. There is a suspense account. The suspense account is huge, and nobody knows what's in that suspense account.

There is no source document to begin looking at what has been placed in that account.

**SEN. K. HERRERA (Business):** Could you explain to the committee what the suspense account is?

**MS. M. RODRIGUEZ (Auditor General):** Yes, the suspense account, when it was opened, it was used to put any transaction that they were not yet certain about, how they can post it. So, they would place it there. What happened is that they just started to dump transactions there.

So, the years went by, and the suspense account kept growing, kept growing. Now, nobody has the source document to go back and find out what was the initial transaction to open a suspense account. It's something that you would call miscellaneous in the expenditure side, but this is in the

hosting side. You call it suspense because you don't know where to put it at this time, so you leave it there.

**SEN. K. HERRERA (Business):** Could you give us an idea of how large that account is?

**MS. M. RODRIGUEZ (Auditor General):** I do believe I have that figure somewhere in the book. I don't have it in my head, but I do believe that it has passed the million at this point. And if you cannot say what you spent a million dollars on...

**SEN. K. HERRERA (Business):** That is up to 2016, 2017, not 2025.

**MS. M. RODRIGUEZ (Auditor General):** Upon our audit, they have ceased to use the suspense account as much as possible. Presently, it's not increasing that much, but back then still, a million plus is a lot. But since we highlighted that you cannot continue putting accounts in suspense, they have tried their best not to utilise the suspense account.

**SEN. K. HERRERA (Business):** In your view, I noticed you highlighted the SmartStream system and some of the issues of alignment. I think you used the word alignment of the SmartStream system and the FARA, which is the Finance and Audit Reform Act of 2005. What were the issues you were getting at in terms of that?

**MS. M. RODRIGUEZ (Auditor General):** Yes, so the FARA requests for certain statements that should be presented to the National Assembly. One of the first things that we highlighted to accountants in general is that there are some statements that were not presented. For example, statements of arrears and losses, those were not presented.

So that comes with the FARA. When it comes to SmartStream, the Accountant General's department has a unit dedicated for posting. So what seems to be happening is that there are delayed postings.

And when there are delayed postings, then SmartStream will not match with her financial statements or with whatever other documents that we receive. So the unit that those postings, I'm not sure how it's staffed. I don't believe it is staffed sufficient enough for all the postings that need to occur.

But they are responsible to make sure that SmartStream is aligned with the FARA and it is aligned with all the source documents that they have. So that unit should be dedicated to just doing that. And that's the unit that, at this point, has delayed postings.

**SEN. K. HERRERA (Business):** The last area I'd like to get into, Madam Auditor General, is debt management or accounting for debts. Thank you. Could you maybe explain to us what challenges you saw in terms of the recording of the debt and how those are accounted for?

**MS. M. RODRIGUEZ (Auditor General):** Yes. So when I took over and I began doing the public debt audit, I expected that the accountant general is the one managing public debt. By that, I mean the outs and comings of any debt that we have.

But what we found out is that the Ministry of Finance is dealing with that. So due to the Ministry of Finance taking over debt management, the accountant general does not have direct access to information on debt management. So she did request it.

I must say that she did request it for our audit. We got some information. For the most part, we did get information for public debt.

But there seems to be an overlapping responsibility there because if the accountant general is to prepare the statement of public debt, she needs direct access to the information. But it is being managed at this point by the Ministry of Finance.

**SEN. K. HERRERA (Business):** What did the financial Orders say about who should be responsible, who should be managing it?

**MS. M. RODRIGUEZ (Auditor General):** The accountant general.

[**SEN. K. HERRERA (Business):**  
Accountant general.

**MS. M. RODRIGUEZ (Auditor General):** The accountant general.

**SEN. K. HERRERA (Business):** So then the financial secretary?

**MS. M. RODRIGUEZ (Auditor General):** The Ministry of Finance.

**SEN. K. HERRERA (Business):** The Ministry of Finance.

**MS. M. RODRIGUEZ (Auditor General):** They have a debt management unit.

**SEN. K. HERRERA (Business):** So you are saying that that is an anomaly within the system?

**MS. M. RODRIGUEZ (Auditor General):** What I explained to the accountant general is that she should welcome the support given by the Ministry of Finance. However, she needs to get direct access to this information because she cannot be placing figures in the statement that is just fed to her. She needs to see these documents so that she can ensure that what she is putting in the statement is correct.

So while the support should be appreciated because I know that her department is overly, you know, has so many things to do, she should request direct access and enhance the support into being part of it and not just being fed the information.

**SEN. K. HERRERA (Business):** Now, you are aware that we are in the budget, the area where budgets are being presented and debated. In these budgets, we have public debt as a big part of it and likely a big part of the debate. How reliable is that information that is coming?

**MS. M. RODRIGUEZ (Auditor General):** For the most part, I can assure you that the Ministry of Finance does do their job when it comes to debt management to ensure the recording of these transactions. Not on SmartStream, but they do have their own system of recording debt management.

**SEN. K. HERRERA (Business):** So there is a parallel system?

**MS. M. RODRIGUEZ (Auditor General):** Yes, they have their own system to monitor debt management. And this is why I am saying they are doing it, but the accountant general has to have access to this. So there seems to be an overlap there because I think they want to have this control as the Ministry of Finance, which is fully understood.

But the collaboration between who prepares the financial statement is very key at this point because then she won't have direct access to the information. I must add, though, that we are, as an office, about to begin training on auditing sustainability in debt management. And so we are trying to look into an area to see how we can better recommend to the accountant general how that relationship between the Ministry of Finance and her should be done.

**SEN. K. HERRERA (Business):** Thank you, Mr. Chair.

**HON. L.M. CHANG (Mesopotamia):** Thank you and good morning. They asked most of the questions, so let's have a couple of them right here. I heard you mention just earlier that you're getting no cooperation from ministries and stuff like that.

And I know we were talking about eight years ago, but I want to fast forward a little bit. In today's time, are you getting that cooperation now so we don't have these problems for the future?

**MS. M. RODRIGUEZ (Auditor General):** I wouldn't say 100 percent. It's not 100 percent. And I brought up in a previous engagement that I had with PAC, that I invited you back, and I'm grateful that Honourable Chanona was there, that I was trying to do cash surveys, a simple, routine cash survey, which is to just check the cash pan to see that what you collected yesterday is correct.

And I was not allowed to enter two entities. And I would highlight it because this is my opportunity; BAHA and Border Management Agency told my staff that they are not government entities.

And I fully disagree because the Constitution gives me all the rights to go and do a cash survey to these authorities. So, I want to put it out here. It will be placed in my subsequent audit report because it is important to highlight this.

I am still receiving rejection from government entities.

**HON. L.M. CHANG (Mesopotamia):** That's very interesting information. Very. And one last question. Is there any other ministries or department who needs to be called out, that's not providing documentation? No? I'm straight to the point.

Who needs to be called out when your office is requesting information? And also, is there any type of disciplinary action that your office or the government can do if they do not cooperate?

**MS. M. RODRIGUEZ (Auditor General):** Well, unfortunately, there's no sanctions. But the FARA does say, I believe it's Section 13.4, that if there's any public officer who does not provide me with information, I could be liable to court action for that. But I've never really went that far.

First of all, I don't have a legal officer in my staff. To go that route, I would need to go to the Attorney General, who is also part of the Executive. So it has to be sought out.

**HON. L.M. CHANG (Mesopotamia):** Well, I do hope that the recommendations that you're giving today, that you can also take it and you could take that route in order to get compliance and cooperation from the department. I believe they should not be taking your department as a joke.

**MS. M. RODRIGUEZ (Auditor General):** I thank you for that statement, and I believe that with your support, I can proceed that far.

**HON. L.M. CHANG (Mesopotamia):** Well, we're in a public hearing now, so it's public information now. So I do hope that the relevant authorities are hearing. And of course, we have two members of government here also.

And we would hope that you guys could get more cooperation and get to the bottom of it. And so that when we reach 2023, 2024, 2025, and 2026 reports, that we don't need to be going through these same... Like you said, a while ago, this has been continuous for the last eight years already.

So we're just hoping that whatever has happened, it's happened already. But we are hoping for a better future.

**MS. M. RODRIGUEZ (Auditor General):** And just to add, what normally happens is that when the report is finally out, and we declare that this person has not made themselves available or they don't have the records, out of the blue, the records show up after the audit has completed. And so, they expect us to go back and change the report because, oh, we found the records, but my audit process has completed. I cannot do that.

My audit process has completed. So sometimes when they realise what the report is saying, and they know that this will eventually become public, they recognise and say, "well, I'm ready now. I'm available now. My audit process has completed."

**HON. L.M. CHANG (Mesopotamia):** Too late.

**MS. M. RODRIGUEZ (Auditor General):** Too late. Maybe that's the only part that I'm doing at this point, telling them it's too late. And the report goes as is.

**HON. L.M. CHANG (Mesopotamia):** I hope you do enforce the strength of your office. Thank you.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** Good morning, Auditor General, and thank you for your presentation this morning. Just in terms of your last comment, is that an experience you had with this particular 2016-2017 audit report, that after your findings were published and presented to the House, laid on the table, that you had information coming forward as it relates to this particular report, or you're just speaking in general?

**MS. M. RODRIGUEZ (Auditor General):** I'm just speaking in general. Not for the 2016-2017.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** Okay. And in relation to source documents, because I do recognise that this has been a perennial problem that has haunted the government in terms of the provision of source documents, and you and your office being unable to properly do your job without that. And you said even to this day, some ministries are not providing source documents.

Has there ever been any recommendation, we are in 2026, in terms of enhancing our system of keeping records with digitisation, with ensuring that because I saw some of your storerooms, well, not your storerooms, the government storerooms behind the Eleanor Hall building and all the mould that the documents are catching, for us to put that in place to have every record digitised. Again, in 2026, we must be able to have these things in place.

**MS. M. RODRIGUEZ (Auditor General):** Most of these records are generated electronically in the first place. So they should be able to save it electronically at some point.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** But are there any departments that are doing that?

**MS. M. RODRIGUEZ (Auditor General):** No, not at this point.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** Would that be a recommendation?

**MS. M. RODRIGUEZ (Auditor General):** With the exception of mine, nobody else is doing that.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** That's a good start.

**MS. M. RODRIGUEZ (Auditor General):** We are keeping it electronic because it's easier for us to retrieve when we are doing our audits. So we are starting with that process.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** So, for instance, in this 2016-2017 report that you have, in instances where you do capture source documents, those are now stored digitally by your office?

**MS. M. RODRIGUEZ (Auditor General):** Yes, by my office.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** Is that a recommendation that you or the accountant general perhaps should make, that we are in 2026 and it is time for us to now digitise our source documents?

**MS. M. RODRIGUEZ (Auditor General):** It's time to move to digitalisation of our records. Like I said, most of these transactions are generated online in the first place. You prepare a PDF or you prepare a Word document in the first place.

So, these can be saved as PDFs electronically. That will, however, require expansion in our ICT processes and hardware.

**HON. G. HAYLOCK (Chairperson):** Madam Auditor General, it's appearing that this committee is concerned with the source documents are locked thereof and as well with the personnel who are entrusted to keep the source documents. When it comes to personnel, does the Auditor General Department offer conferences or any type of thing to teach those within the accounting section of the department what is required so at least we can first say we have informed them before taking legal routes?

**MS. M. RODRIGUEZ (Auditor General):** Well, yes. First of all, we are participants of the clerical lectures to all new entrants. We have a module that's audited, and in that module, we discuss what is expected of them when they are joining the service.

So, as they go up, they should already know these regulations. So, we start there with the new entrants when you're invited by the Ministry of Public Service. On our own, budget-wise, we do not really have the funds to bring everybody together, but at any point we have advised all the ministries that if they do need our help, we can come and explain.

We've done presentations to the police department in the past, explaining to them that this table is an asset of the government and so we need to take care of this table. And we do find that at the time that police officers did not understand that the table belongs to the government. So, we do have these types of trainings available to provide at request because I cannot be training all the time.

I need to do my work.

**HON. G. HAYLOCK (Chairperson):** Any other general questions from the committee before we move into specific areas that we highlighted? Madam Auditor General, one of the areas this committee focused on was the alleged mismanagement of Belize Defence Force Fund. It was a huge scandal in 2016. Could you, for the committee's benefit, give an overview of what the situation was?

**MS. M. RODRIGUEZ (Auditor General):** So the Office of the Auditor General received a request from the then CEO at the time to take a look at the Rations and the Belize Defence Force Fund because he had an inclination that something was going on. So, we visited the BDF and we

did find that they have an Atlantic bank account. But what was happening is that it seemed to be off the books.

By off the books, it means that they were not recording their transactions. They did not have a cash book. Funds were being deposited to the bank account without any source document knowing why funds are being deposited.

So, a lot of people are saying, or a lot of people have this misconception that we only look at expenditure and how it was expended. We don't just do expenditure; we look at revenue. So, all the funds that were being deposited to this account, which reached that huge amount, was off the books.

Nobody knew that these funds were being deposited there other than the BDF, which was wrong. They must have a cash book. And Finance Officers of the ministry should be reviewing all accounts and all cash books of the ministry, which includes the BDF.

What we found was that the Commander at the time had made an agreement with external parties to carry out jungle training. And this was using the recurrent expenditure but collecting for jungle training and putting the funds in the BDF account. So, we explained to them, to the commander at the time, that you cannot use government property to make business.

The BDF is not a private venture. It's a business, and we don't do profits. Now, even what was explained to us, what is called 'military tourism,' is an option for our belief.

It has to be regulated properly. It cannot have a bank account, and nobody knows about these funds. It has to pass through the Ministry of Finance. So, for the military tourism to proceed in this way, and it seemed very lucrative back in 2016-2017, the proper ways of managing an account with the Ministry of Finance so that we know exactly what is coming in and who is paying. Because as per the report, the requests were from Singapore, Germany, and the US, but we didn't see any money deposited from Singapore. So, if you're telling me you spent with the Singapore crew, where did that money go?

So, we had to question it, because you don't just collect for collect's sake, because you feel that you can make some money. It is important to report everything to the government.

**HON. G. HAYLOCK (Chairperson):** Madam Auditor General, in detecting the Atlantic Bank account that was being used, were you able to see what was being spent on?

**MS. M. RODRIGUEZ (Auditor General):** Yes, we have a list of information there. The account was merely spending on trips for public officers, the military that have to go outside and study. This should pass with the Ministry of Finance, for example.

This should not be used from a separate bank account. We do have an expenditure report that should be presented to the Assembly in the next report. But the expenditure was as well as 200,000 as mentioned in here, but the expenditures were not for the purpose that this account they said was for.

For example, they said it was just to have some money on hand for helping the BDS soldiers for illnesses, but we could not agree to that because they have a welfare fund and a benevolent fund, so this is a third fund for that. So, we know that the expenditure part was not in alignment with their purposes, but you will receive a report on that specific expenditure in the next annual report. And I look forward to discussing that one as well.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** In relation to this report, specifically in relation to the spending at the BDF, I know you mentioned in your report that there was an agreement that you located with the United States and there was evidence of the funds being deposited for the training, or as you refer to it, the military tourism with the US. Now in relation to the Singapore and the Germans, there was no agreement.

**MS. M. RODRIGUEZ (Auditor General):** We did not sign any agreement with them.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** And there was no deposit either, or funds sent from these governments in relation to this training for these two countries.

**MS. M. RODRIGUEZ (Auditor General):** For the Germans, we do have a follow-up report and I'm going to go advance here because I did this audit. We found that the Germans paid to a private business. And when we found that it was paid to a private business, it brought it up to the attention of the commander.

And he said this is a 'no-no' because you use government resources to service them. And so we found later on, after this date, that the funds from the business, from this private business, was deposited to the BDS fund. So it was returned.

However, I must highlight that we have not audited that account. So I cannot guarantee that that fund was not returned to the private business.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** So you do have expenditures coming from the government of Belize for the training of the Germans and the Singapore military that came to Belize. You have evidence of the Germans reimbursing, but we do not know whether those funds were reimbursed to the government. But it doesn't sound like that.

**MS. M. RODRIGUEZ (Auditor General):** For the Singapore portion, it does not sound like that.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** And in relation specifically to the Singapore portion, what was the estimated sum that was expended on their training?

**MS. M. RODRIGUEZ (Auditor General):** We didn't have any information for that because, unfortunately, this March, we did not disclose any expenses for the Singapore group, but they did mention for the Germans. In fact, I think I can recall they did not even mention who it was for. They only said they purchased this; they purchased that.

But we linked it to ---.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** These three groups?

**MS. M. RODRIGUEZ (Auditor General):** Yes, we linked it to these three groups.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** So the entire sum, you would say, covers all three groups, but it's not specific to any country or their military?

**MS. M. RODRIGUEZ (Auditor General):** No, it's not specific to any country because some sort of government were absent, and so we cannot really link who paid for what. This is a big finding, and I see you smiling, Chair, today, but this is a huge finding under the BDS management of that time.

**SEN. J. CHANONA (Non-Governmental Organizations):** AG, just to pop up to an earlier reference, you alluded that perhaps it was an issue with handing over notes from one official to the next, but I'm also now hearing that there was also a lack of quality in the data entry in terms of even how it was posted or where it was posted to. Can you expound on that, please?

**MS. M. RODRIGUEZ (Auditor General):** We're referring back to the financial statements? Yes. This unit is supposed to be the ones dedicated to the postings or journalised entries on the SmartStream, so we saw delays.

There are times where postings are done months after. I do agree that the regulations do give the Accountant General three months to finalise her postings and all of that, but the moment you present a statement, it's because you have supposedly completed those postings already.

**SEN. J. CHANONA (Non-Governmental Organizations):** Specific to the trainings for the military tourism, I also heard you just now reference that when you tried to find the details relevant to the transactions that there wasn't sufficient information for you to hide back.

**MS. M. RODRIGUEZ (Auditor General):** Right. In that instance, they don't do any postings. It's just the information to prove that the Germans or the Singapore crew came.

In comparison to the U.S. Army, they did have an agreement, a written agreement, what would be spent on them, how many days, and everything was in order for them and was deposited. The only thing that was not in order is that you cannot lend government assets and expect to get paid back for it without the authority of the Ministry of Finance.

**SEN. J. CHANONA (Non-Governmental Organizations):** Can you share, in subsequent—I would have been adding some follow-ups— what has shifted or what the change has been to alleviate these types of systemic issues?

**MS. M. RODRIGUEZ (Auditor General):** When it comes to source documents, we were discussing earlier that we will find a way to start to recommend for digitalisation of these records

because they start electronically in the first place. You type it on the computer, so you can save it electronically and start to prepare or obtain servers where you can save information. It's going to be an expensive venture, and we try not to give recommendations that will alter the budget, so we don't really go there, but it's beginning to be a necessity now.

**SEN. J. CHANONA (Non-Governmental Organizations):** I will confess I cringe a little bit whenever we talk about things that are expensive because I think expensive is relative to loss, right? So if we invest \$100 here, and the net result is that there aren't waste or leakage or potential vulnerabilities, then really what we've invested, as opposed to a cost incurred as expensive, we do benefit at the outset based on the outcome of that investment, correct?

**MS. M. RODRIGUEZ (Auditor General):** Right, so there is a cost efficiency to it, making sure that what you're spending will give you quality right back. So going digital, for my belief, is the best way to go at this point, yeah. And we should not think about the budget on that.

Sir?

**HON. G. HAYLOCK (Chairperson):** Madam AG, just to lay this point straight again, from your years of experience in the auditing field, has there ever been another instance where the government offers its services and equipment to an international military, and the payment is actually going through a private account?

**MS. M. RODRIGUEZ (Auditor General):** No, this is the first that we found when it comes to military tourism. This was the first, and it was a big catch because we questioned the revenue aspect of it. If we had focused only on expenditure, we would not have seen that what was paid in was paid to this private company.

**HON. G. HAYLOCK (Chairperson):** Is your department, upon detecting a catch like this, in charge of forwarding a report to the police to have it properly investigated as a criminal offence?

**MS. M. RODRIGUEZ (Auditor General):** What we do is to send a copy to the police department when applicable. However, we cannot initiate the process of civil action. It has to be done by the CEO of that ministry.

**HON. G. HAYLOCK (Chairperson):** Thank you.

**SEN. K. HERRERA (Business):** Were you able to look at what type of accounts that went into Auditor General?

**MS. M. RODRIGUEZ (Auditor General):** The BDF funds?

**SEN. K. HERRERA (Business):** Yes.

**MS. M. RODRIGUEZ (Auditor General):** There is this one specific business account that collected from the Germans. It's in another report, so it's not part of this, but it was a private business that received \$152,000 plus for the German training. This business, we found the owners,

and one of the owners was a member of the BDF. We visited the address of the business. It was a house. It was not a resort. It was not an agency. We have pictures of that. We have everything that we found, so we went back to the commander and the CEO about it, and what was done is to make sure that the funds were returned to the government to be placed back in the Atlantic Bank account.

But like I said earlier, we have not checked this account since then, so I cannot guarantee that, among themselves, they didn't return it back to the business or something else happened. So it's important, and that's why for the 2015-2016, I said to you all, when you asked me out of this group what is most important to look at, I said please look at the individual reports that we submit because even though this is 10 years ago, we don't know if anything was done about it, and in this case, people will say, well, who are mostly affected by this? The BDF soldiers are mostly affected by this because at that time, I think there were some scandals about they're not getting enough rations, they're not getting enough proper sleeping facilities, and so we can possibly even say, "well, that's why, because the fund is going towards jungle training and not towards the soldiers," and I think that without putting in emotions, the soldiers do a big role for us in Belize.

**SEN. K. HERRERA (Business):** Now, you mentioned this particular case. Is it possible that there maybe have been instances where this was something that was regularly done?

**MS. M. RODRIGUEZ (Auditor General):** I believe it could have been regularly done, but we only audited that scope. We did not go beyond the finals if it was happening more, or even if it's happening now. I haven't heard many stories.

I'm not sure if they're still at defence, but I haven't heard of any military group coming lately, so I'm not sure, because I don't know if those are even announced any time.

**SEN. K. HERRERA (Business):** And this is perhaps a question that would have to take up at other forums or levels, but when something like this would happen, would they just return it to a fund and then that's the end of it?

**MS. M. RODRIGUEZ (Auditor General):** That's the end of it, because the CEO is in charge of making sure that who did something wrong, administratively, we go to the public service commission, or civilly, I take you to court.

**SEN. K. HERRERA (Business):** And none of that was done?

**MS. M. RODRIGUEZ (Auditor General):** None of that was done. Not in this case. It was not done.

**SEN. K. HERRERA (Business):** Thank you.

**SEN. J. CHANONA (Non-Governmental Organizations):** Thank you. Can I just ask as a process question, because I believe 2016, 2017, it was easier to find out who the beneficial owners of companies were. I believe the laws have changed subsequently, so how does that alter your approach to these audits?

**MS. M. RODRIGUEZ (Auditor General):** It should not, because the Constitution, as well as the FARA, still gives me the power to have full access to records within an electronic fund, so I do not expect that the company's registries will be saying no to me when I do a request.

[Speaker 5]

Thank you. And therefore, the names were privy to you in terms of who that was, and that will be in a report from you?

**MS. M. RODRIGUEZ (Auditor General):** Normally, we redact the names from the reports, but this information can be provided to the committee separately if you do desire.

**SEN. J. CHANONA (Non-Governmental Organizations):** Thank you.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):**

Yes, Auditor General. Just as a final follow-up on that particular point in relation to this company you mentioned going to an address and knowing who the individual was, and it was a BDF soldier behind the company. Are you aware whether that company actually does business from that location?

**MS. M. RODRIGUEZ (Auditor General):** No, from our research, there is no business going on there.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** Okay, thank you.

**MS. M. RODRIGUEZ (Auditor General):** I wanted to add that the copy of the original report with the names on it has been submitted in 2017 to the Ministry, so they should have a copy of the report with the names and all the information that they're looking for.

**SEN. J. CHANONA (Non-Governmental Organizations):** Can I just ask the AG if she would like to share any parting statements before we move to the next witness?

**MS. M. RODRIGUEZ (Auditor General):** No. My greatest appreciation is to go through this book and give an opportunity to discuss the findings because a lot of these things we take for granted and we say that, well, we're not helping the citizens, but every audit that we do is for the citizens of Belize, so being it health sector, being the agriculture sector, being the security services section, all of our audits have a direct impact on our citizens, so I do appreciate this process and making sure that our cycle is being completed, that's the key cycle.

**HON. G. HAYLOCK (Chairperson):** Thank you, Madam Auditor General, for the privilege of your time for the straightforward responses to the committee's questions. On behalf of the committee, I wish to express appreciation for your continued work in supporting transparency and accountability in public financial management.

**MS. M. RODRIGUEZ (Auditor General):** Thank you.

**HON. G. HAYLOCK (Chairperson):** The committee will now proceed to hear our next witness. Madam Clerk, please invite the Accountant General, Ms. Teresita Miranda, to join the committee. The public hearing will be taking a five-minute break.

The Public Hearing briefly suspended at 11:16 A.M.

**PUBLIC HEARING (CONT'D)**

**MS. TERESITA MIRANDA – ACCOUNTANT GENERAL**

**11:27 A.M.**

**HON. G. HAYLOCK (Chairperson):** Good morning, Madam Accountant General. Thank you for appearing before the committee today. The committee looks forward to engaging with you on matters raised in the Auditor General's report that relate to the responsibilities of the Accountant General's Department, including issues concerning financial records, reporting practises, and the management of public accounts.

At this time, you may provide any brief opening remarks you wish.

**MS. T. MIRANDA (Accountant General):** I appreciate, Chair. I appreciate the honourable Senators. The opportunity for me to be here today, I do believe that this is a very important opportunity that we have. I do consider this a powerful mechanism that we have for institutional strengthening, and I do appreciate it.

**HON. G. HAYLOCK (Chairperson):** If you could, for the committee's benefit and the viewers, give us an idea of how many years you have been in this field, how many reports you have been part of, so that we could have a general idea of what you do and how it goes within your department.

**MS. T. MIRANDA (Accountant General):**

Thank you. I have been in the service of the Government of Belize for almost 32 years. I have been at the Treasury most of the time, and I have also been in other ministries.

I have--we have been able to submit two important reports.

**HON. G. HAYLOCK (Chairperson):** Thank you. I now open the floor for questioning by members of the committee.

**SEN. J. CHANONA (Non-Governmental Organizations):** Chair, thank you very much, Accountant General. We appreciate your service to the nation. The staff of the National Assembly has, to their credit, prepared a comparative analysis report to the members regarding testimonies from the Accountant General's office between 2017 and 2025.

So if you allow me to, I would just like to trigger in terms of a status report of where we are now, because we are discussing numbers 10 years on, and I think the committee has expressed on multiple occasions and will continue to reiterate the importance of how we come up to date and how we get to current. But just to share, for instance, in 2017 we talked about statements being late and incomplete, lack of data, lack of staff on both ends. But when you joined us in 2025, you said that based on the current timelines, the 2025-2026 fiscal year report would not be submitted until maybe 2028 if there were legislative changes.

So, I just would like you to start in terms of what those legislative changes will be. I know in earlier occasions we had discussed perhaps multiple processes happening so that we can make sure that we're true to the Constitution and provide the accounts for every year, but perhaps that there are simultaneous efforts happening. But please expound if you may.

Okay.

**MS. T. MIRANDA (Accountant General):**

On the part of the legislation, what we're trying to do is that what we have to consult, the consultation has to happen first, because what happens is that we're governed by the FARA. We also have the financial regulations as well. And for us to be able to – we want – what the Treasury would like is that we can submit all the backlog statements that we have.

However, the Finance and Auditor says that the Auditor General as well has to have our timeline as well for the checking of the – and to respond to the report. What we would like to do is that we see it is very important to have accountability to show that the validation of the statements, even though they're in backlog, however we want to reach to where we are in current. We cannot do so because then of the legislation.

What we're proposing is that if we can submit all of them, if we can then request for the legislation, the amendment of the legislation to give the Auditor General the time for her to be able to check. But at the same time, we continue going forward. But that then again is something that we are just in the process of making sure that we have been in consultation because then likewise we have to work with the Auditor General as well.

Because then while we are expressing that we can do the backlog, what we are seeing is that for the human resource for the Treasury Department, then we will have to increase that. And I do believe that it will be the same for the Auditor General because then while we will be submitting them, it will pose the same challenge for her. So it's something that she has to be consulted and then we need to come to an agreement as to what would be the best for both of us to be able to deal with it.

**SEN. J. CHANONA (Non-Governmental Organizations):** And can you share that SMART goal timeline with us so that we can help you to track and monitor so that those consultations conclude at a certain stage and that we get to the point of supporting legislation?

**MS. T. MIRANDA (Accountant General):** Okay, what we are doing is that we have 2017-2018 that we need to be submitting. So what we are saying is that we look at the recommendations from the Auditor General. 2017-2018 more or less should be the same.

We are going to have the same challenges. Because the same challenges, we are just dealing with them now. There are many things that we have to have been doing in terms of the records, which I do have a presentation because sometimes visual is very good.

And the timeline, we do believe that after this 2018, which we expect to submit in April, then we can talk about this legislation. So, I don't want to say, okay, we can do it by the end of this financial year, but I do believe, I am very confident that by the end of this year, we have something in the legislation submitted already.

**SEN. J. CHANONA (Non-Governmental Organizations):** Thank you for that. And if there are no objections from other colleagues, perhaps it would be best if we started off with your presentation as we go forward. Chair?

**MS. T. MIRANDA (Accountant General):** Okay, what I have here is that I have a PowerPoint where I wanted to respond to a few of the questions that I had in my letter of invitation. So, okay, one of the issues that was as a query on the report of the Auditor General was the imbalance, a difference in the trial balance and the confirmation letter from the Central Bank account. So, what we're seeing is here, something had to have happened for us to have that difference.

What we found out, and what I want to mention as well, when we do the financial statements, what we are doing is that we are submitting a report of our findings. This is something that happened in 2016-2017, so definitely we have to do a little bit more research even for us to be able to find out what happened. So what we found out there during that time, the APSS.

APSS is the Automated Payment and Security Settlement System that was introduced in October 2016. This is a Central Bank system that we use along with the commercial banks for the payments. Now, what happened there?

Payroll and payable journals, this used to be done in different commercial bank accounts. We used to be able to pay salaries in the different commercial bank accounts. We used to do individual checks for every employee, huge number of checks that we have back then.

Now what happened in 2016, we went from 275 entries from a Central Bank, in the Central Bank statement, we went to over 42,640 entries, transaction entries. So now what is required? This transition to a new system required new processes, new training.

So now we have a new system from the Central Bank, which is working excellently. We had to have prepared our personnel. We had to have trained them. Now, who trains

somebody when nobody from within the Treasury knew this system? So, we were learning along the way. Complete reconciliation of our commercial banks should have been done before we go into that.

But then not to say to Central Bank, you have to wait until we are done. We knew that a new system was coming, so we should have prepared for that. So now, why the difference there?

What I was able to identify, our team identified that the differences come from accounts payable and payroll clearing. So you see the connection there? Because of the number of transactions, the backend, the activity in the backend activity, what happens is that when we post into, when we pay, we send to Central Bank, we clear it and it goes to these accounts, 8030 for payroll, 803010 for payables.

So now, after that, because the system, we have to do it manually, so it requires officers for them to go in, manually go back and enter these into the individual accounts that would then affect this Central Bank account. So, if you go one more slide. If you notice, this is what happened.

There are a few transactions that recorded in the 75151, that is the Central Bank account, in SmartStream. So, what stated 803011 should have gone to 75151 as well, but that requires manual intervention. So, if back then, we know that we were paying, so it is not that there was something wrong that we did not pay or that something is missing from the Central Bank statement.

The only thing that is missing is really the recording of the information there. So, it is that in the middle, it was not posted. It is wrong, yes, but it was just because it required more analysis for us to see what the complete cycle of a transaction is and then that would have been done.

So, we found out about this now that we are doing the financial statements. We want to address it, but when you look at 42,000 transactions, then it is very challenging. We find out about 42,000 transactions back then, 2016, 2017, compared to what is happening now, more.

So, if I have the same amount of officers working in current rate, you know, that you cannot allow that to continue to happen because you have found out what happened, then you have to have them both at the same time. So, that is the challenge. When we submit the financial statement, it is not totally that we ignore the fact that this can be done.

We can do it, but it just would require staff and more time.

**SEN. J. CHANONA (Non-Governmental Organizations):**

Clarifying question. So, does that mean that is still what is expected now from the system, that manual intervention today?

**MS. T. MIRANDA (Accountant General):** No, that has been, we have dealt with it, yes. So, what we are seeing here is that we need more officers, and then also, for this not to have happened, we needed a little bit more of that accounting, a stronger accounting skill when the statements were prepared back then. So, the status of the reconciliation went a little bit further. For the Treasury Department, we have the financial reporting unit, which was established in 2024-2025.

They are now focussing on the reconciliation of the Central Bank account for 2023 to present. So, even though they were present, we have to remain current, we have been able to go back to 2023. So, they are doing that at the same time.

What we find out is really that all of this requires senior staff with accounting skills. We really appreciate when these are equipped with the personnel, but then that is a tremendous, tremendous challenge for us if they do come with a lack of the skills that we require. Our greatest challenge has been recruitment, retention, turnover.

Currently, as I am speaking yesterday, I received a letter of resignation from an officer. That is someone who has been trained for the past six months. In the seventh month, he decided to resign.

A person who is dealing in the financial reporting unit. You know what that means? It means now that it will take another six months for me to train somebody, and that is a huge account.

I mean, every day that we have somebody that is transitioning or handing over, it means that one day is going by. So, if that happened back then, and there was probably a little bit less oversight, then that is where the problem came. So, we have here another of the queries.

Oh, we go back to that. Thank you. We also have the, for me to be able to deal 2017-2018, we have to have a plan because we take very seriously the recommendations from the IAEA General.

We wish and we would hope that every time that we submit the backlog of the statements, we would have less items that they would be querying that, you know what, we told you about this in the past report, and now I still see it again. But, however, we can do it with just volumes, with just the stuff that we will need. Also, if we do that, if we go back and we have to correct and we have to go item by item, this means that I cannot submit within the timeline that I would like.

It will take some time. And then the cycle comes back again. Train again, time for me again, time for us to proceed.

And then, unfortunately, within the public service, our officers are transferable. So, after we have not, after some years, the Finance Officer decides to go. So, then the Treasury Department, the functions of the Treasury Department are very unique, so that if you go to the regular ministry, what they concentrate, what they focus on is payments.

They do payments, they do purchases. But at the Treasury, we do far more than that. We have 12 units.

We deal with debt management. We deal with fiscal, with the cash management. We deal with the revenue. So, it's a huge department, so that just not that Finance Officer that can come gets transferred. Not automatically you can decide, you can say, you know what, I can do this. You still have to know what the Treasury does. And not only what the Treasury does on that specific section, all around, all the sections, you have to know because all of them are linked, one to each other. Another of the queries that I, that we received was this particular bank account from the Heritage Bank, that we were able to find that this is not a revenue account. However, this could be either a donor agency or a project account.

So, what we did is that we sent a formal request to the Ministry of Economic Transformation for us to be able to know more about the account. And also, we need to determine the classification and ownership. So, a request was sent also to Heritage Bank for us to get the statements for us to be able to know what happened--what the transactions were for that account.

So, we are doing, or currently we are doing research on that. And what we also agreed with the Ministry of Finance as well, in fact, there has been a circular No.9, that we will include the Treasury in all the different accounts because then what had been happening is that the Treasury are only signatories to bank accounts for the revenue accounts. But we need to be also, and these also need to be because then this is grant, sometimes these are grants, and they need to appear in our financial statements as well.

So, another of the questions that I received was, what is it that we are doing to strengthen our financial reporting? What we have done is that we have now weekly training for our reconciliation unit. We do get the turnover of staff is very high, but then we had to have developed something for us to be able to deal with that.

So, what we do now, we focus on a weekly training for our reconciliation unit. We have standardised the statement for the bank accounts, so you don't see a different statement coming from everywhere for different accounts. We have standardised those.

We have the control mechanism that was implemented was through our Assistant Accountant General. He verifies the bank balances monthly. So, what we have been doing is that we have been increasing our focus in the reconciliation of all the government bank accounts and that they balance and they reconcile with the chart of accounts that is the SmartStream accounts.

Also, we have gone through the IPSA training. We did a six-month IPSA training, so that a little bit more enhances the skills of our Finance Officer. This is at the higher management.

In March, we have our short-term strategic plan because what I have noted as well, that oftentimes we come and we say that, okay, this needs to be done and everybody has to finish it, but then we also have to look at the structure of the treasury. So, if they all know what are the challenges that we, what is this report, what it means for us, then we all together are going to be able to go towards or work towards achieving a goal. So, I am seeing, I am very much appreciative of the fact that I am seeing that we have now a team who has become more responsible in the delivery of their service that they do for the treasury and for the government.

So, also, we are going to be having our new cashiering system. This promises to be very good because in the past, what we have been having is a challenge that when we receive, when we record, it is sometimes, it is very limited that we cannot record, okay, if we receive a deposit in Atlantic Bank, the system would not allow us to say it was in Atlantic Bank. All that it would say is, all right, it was a bank transaction.

Now, we can, with the system, what we want to do, we want exactly the time, real time, that when you receive, if it is a deposit at Atlantic Bank, then our system will automatically show and take it all the way to the chart of accounts so that we avoid that manual intervention that had been happening. Okay.

The issue of the records. The records have been a very critical issue that we had to deal with. When we went to the records room, if you can see, this is what we were able to see. This is what we met.

How do I send the Auditor General to find documents? How do I send our officers to find documents? We have to find what to do. All of this has been a keep back for us, for this current treasury management, for us to be able to meet the requests, the recommendations of the Auditor General, because even though we acknowledge it, we know correctly that this is indicative of something that was failing in the past, we had to have time to deal with this. These are the records that we found. I have to publicly acknowledge the officers as well that were courageous enough, that took the initiative and were able to be reassigned to do the cleanup of this, to do the sorting out of these documents.

We have three different records. We have one at the Charles Bartlett building. We had one in Belmopan, and then we had another one by the Eleanor Hall building.

This is what we found overall in the different. This was the Charles Bartlett. What they did in the exercise is that we had to take out everything infested very much. Snakes and everything, all of these were taken out. We had to do the regular cleanup. That was the first thing that we had to do.

Now, what we did, we arranged them. We put them in different sacks. Those are for the years that really are all the way in the 1990s, 1984 up to 1990s, I do believe. What we had to do, take them out, and we had to sort them out again. We're just putting them as, labelling them as for somebody else, for another records officer now to come and index

them properly, sort them out for them to be able to be classified as records. This is what it looks now.

This is the improvement that we have seen at the church. What happened? MPS and the Ministry of Finance, the Ministry of Public Service, Ministry of Finance has been very supportive in this.

But again, this is why this is very important, because the report is saying many times that it is as a result, the opinion that we got is as a result of insufficient source documents. This was very important. We had to have finished this first now to be able to continue, to be able to classify the documents now.

This is not done as yet. What we have been doing now, these are the three places that we have. We recently got a new office space.

We just moved in the new office space in January 2026. What we registered there now, we have 1,664 banker's boxes, we have 500 stacks, and we have 425 other banker's boxes. That gives you an idea of how much information we have.

What we see there is that at the Eleanor Hall building, if you notice, it is already labelled null. At the Eleanor Hall building, which is our building that we currently have, where our office is, headquarters, we managed to get two records officers. We have them now full-time working.

That is the result of that. When you go and Audit goes, they can specifically go to which year they want to go, but that is current. We have not been there yet. All these reports will continue to challenge us with this. The other one, the Complex building, what we have is more files that date 1984 up to 1991, I believe. Those ones, as per the regulations, we will have to classify them for destruction with the correct approvals, as well.

We also have the one at South Ring Road. That is where we just moved. We relocated. That is going to be even better now because now what we have done is that we have submitted for the creation of the post for us to have a Records officer who will be responsible for the unit. Because in the past, it used to be the Finance Officer from the sub-treasury who was responsible. So, no direct oversight for the records.

That was more or less based on the questions that I had.

**SEN. J. CHANONA (Non-Governmental Organizations):** Thank you very much for that, Accountant General. Just on the matter of records, it does look very impressive after the fact. But just as importantly, as I understand, the current regulations, those are the types of records that we have to maintain for how many years?

**MS. T. MIRANDA (Accountant General):** It depends on the type of files that they are. For example, payroll, the P-files requires you to have it for 45 years. So, all of them are varying.

So all of them have to be classified. So what we have right now, what we were able to do, get boxes and boxes. We put them where now you can go in, now you have to open those boxes, and now you have to classify them.

What is very important as well is that we have an amount of boxes. We have an amount of records. You would be able to see, or one officer said, well, let us get five, six people for them to come in and sort it out.

Okay, we can do that. But if we get five new people, you have documents that are pertaining to debt management. How would a new person know that, okay, this file belongs here?

We have revenue. How would this new person know that this is revenue? So what we did is that we got two senior officers for them to be able to do, we did a special assignment for them. And that is how we managed to have at least, we moved them to where the sections are. Now, for us to destroy, we have to be able to open the box, get details of the information. So, we cannot tell them we have a box with 10 files. They want to know, or it is for us to give approval, for me to get approval for the destruction, I have to tell them it's a file that contains receipts from this series to this series. It dates to that. That is the proper way. And that, again, is going to take time.

**SEN. J. CHANONA (Non-Governmental Organizations):** I just want to make sure, thank you for that. I just want to make sure that we heard you right. Four-five? Forty-five years. So, I'll defer right now to the member. So where are we then in terms of realistically, because as you're calling out the number of these transactions and the number of these files will only increase year to year. Are we looking at digitising these documents to make sure that we can be realistically handling this? Because, I mean, that looks like a lot of floor space that it is occupying right now.

**MS. T. MIRANDA (Accountant General):** We're exploring that more and more so because what we believe is that it is very time consuming, even for us, when we're going to be sending the report to the Auditor General, it's in numbers. So if we can digitally be able to have that accessible by the Auditor general. In fact, even now we are working on that.

Because what we did is that we opened different folders because of the access of SmartStream. So the reports that we create, the Auditor General already has it. So we are seeing that we are moving towards that. These ones here may not, but if we move forward, we need to be able to. So we are exploring it, definitely, if there is a need.

**SEN. J. CHANONA (Non-Governmental Organizations):** Thank you. And my sister is the educator in the family. I would also like to call out, I feel like this is a skill and a marketable one at that. So maybe there is a conversation to be had with academic institutions to see how we can get certification for persons to do this. Just in terms of what we're dealing with now. Because I know right now when managers are looking at transcripts and certifications, this seems like something that would be very marketable to the government in the first instance, but just overall as an option.

But I defer to the member. Thank you, Chair.

**HON. O. MIRA (Minister of Home Affairs and Enterprise):** Thank you very much, Chairman. Thanks. Thank you very much, Appointment General, for your presentation. And I really do feel for you and your team. Those files are... I'm sure they're ahead of you.

And my comment would be exactly what Senator Chanona was saying about digitising and what will it take to digitise all those files. Does it need legislative changes? Does it need just a budget? What would it need to make sure that all of those files, in fact even those ones that need to be held for forty-five years, that they can be scanned and digitised so that we don't use the amount of space and the amount of work when doing reports. It would be a win-win for everybody if we could digitise everything faster. The information would be there.

So my question would be, what will it take? Does it take legislative changes? Does it take just a budget?

Thanks.

**MS. T. MIRANDA (Accountant General):** Thank you, Minister. Legislative first, yes, because then if you notice Finance and Advance 2020, then we also have the financial orders, 1965. So that, the financial orders, is what it takes for us, the retention.

So definitely yes, but we are working along. I was in communication with the archives, with Director Montero, so we are getting information. However, thankfully, when it comes to budget, the Financial Secretary is very supportive.

I do not anticipate any problem with that. It's just that we then have to present him with a plan. So if we will work, however, our challenge, our greatest challenge is that I will have our team working in the past, and we have to work forward.

And that is the reason as to our strategic plan, because then what we have seen is that we have to be able to know exactly where we are going, but we have to address the past. And we will not be able to fully focus on exploring and modernising the Treasury the way we would like. We would like that.

If you ask me for a document, I can show you right now where the document is. We have a few of the documents that we have, but they're limited because we are supported by CITO. So that, the infrastructure will also play a very important, because then the Treasury Department has only two IT officers.

And for us to be able to do that and for us to be able to maintain it, then we will definitely have to have one for the Treasury Department. So infrastructure, legislation, the budget I do not anticipate. It's just for us to actually be able to come up with a plan and be able to present it.

But yes, it is in our plans already.

**SEN. K. HERRERA (Business):** Good morning again, Accountant General.

Again, I think that we have reviewed many of these themes with you before. We have the recurring issues related to the whole accounting system, it seems. One of the issues that have come up quite significantly in the audit is the source documents that I think we were looking at just a little while ago.

I noted, though, that on page 18 of the report, I believe, it said that in one of the storage areas there were no 2016 or 2017 source documents. And I found that a little extreme. I mean, I can understand that, you know, you'd have a certain, you know, some missing, but there was nothing to be found for 2016, 2017.

And one of the complaints in the report that kept on repeating was that, you know, there was a significant issue with the source documents. I know you went over some of that just now. How long more will we be seeing these types of reports before it gets better?

What year can we expect a significant change?

**MS. T. MIRANDA (Accountant General):** Between the period of, starting 2023. Because 2016, 2017, it's not that we didn't have anything at all. What the audit requirements is probably what we did not fully meet.

I would say that for the auditors, it is very important. And based on the queries of the report, the amounts that are very material, that are material, you need to look at those. And those were some of them we did not have.

Instructions for us to be able to have the copy of the document has to come from the Ministry of Finance. In the past, I really cannot say who used to be, but what I can tell you right now is why I think that I can tell you 2023 to know, because since we took over, we started to see the issues and we have been working with the Ministry of Finance. We have been coordinating for us to see that we have these available.

We have discussions, we make sure that our officers are on board, that you request, if you do not have the supporting document, you make sure that you have it. More and more, we are seeing that home, after 2023, they were requesting. It was not just a matter of going to the system and approve, even if you do not see a supporting document, just because it was any ministry who put it there.

We can control, the Treasury vets and verify payments that are above \$10,000. And what used to happen as well, if there was a payment that was \$30,000, \$40,000, what the ministry would do, they would put it in different payments, five, 10, so five and less than 10. So that different payments, so it doesn't reach to us for approval.

That, the approval falls within the ministry. So, 2023, we will definitely be able to see a lot more. However, after 2017-2018, if you notice the issues that we have been

bringing up, unless we adjusted, we made adjustments in 2018, and that's why you saw that 015-2016, 2016- 2017, we had similar challenges.

However, in 2018, there was an adjustment, but which is an adjustment as well that we will have to deal with in this financial statement 17, 18. But then, 18, 19, then we will start to see a little bit, but until 2023, 21, 22, 23, a little less, but 2023, definitely, because now we have taken more control in those.

I noticed that in the report as well, that the journal stated that the financial offices are not submitting to the accountant general in a timely way. Can you maybe expand on that for us? That would have been on page 32.

**MS. T. MIRANDA (Accountant General):** On page, sorry?

**SEN. K. HERRERA (Business):** 32.

**MS. T. MIRANDA (Accountant General):** Yes, that would be correct. The finance, we appreciate a lot in the report of the auditor general because then this reinforces our findings as well. What we were able to see is that, as I mentioned now, one of the implementations that we had to do is that we had to standardise our financial statements and standardise the statements, the bank statements.

We have to have cash and bank statements, the reconciliation of both cash and bank statements, below the line. So the full responsibility of reconciliation is not solely on the Treasury but also on the Line ministries as well. The Treasury Department has re-managed the bank accounts for revenue bank accounts for the Government of Belize.

So that should have been the responsibility of the Treasury indeed. The returns are the reports that show the reconciliation of the monthly bank statements for the monthly cash received. So we found out that there were a lot missing from the different sub-treasuries.

We had challenges, especially in Belmopan. The reason, again, and it can be attributed to the fact that our system, as I mentioned, when you make collections, when you record your revenue, you cannot, the limitation of the system is that all that you will be able to receive will receive revenue bank, but it doesn't show more. A Line ministry, for example, the Natural Resources, the Transport Department, they do collections, they use Belize Bank, they use Atlantic Bank, and the checks that they collect also, now because of the APSS, we do scan it and it goes to Central Bank.

So right there and then you have three banks already. When you do the editing at the end of the day, manually the Finance Officers have to go in and they have to change the, by default, that all goes to bank, they have to classify the chart of accounts, they have to go manually and input the different accounts. That is where we saw that the challenge came from.

Because then if you do not fully understand what the purpose is or what are the operations of the treasury, it might be that probably they left it and because they do not

reconcile, they will not catch up on that. So the lack of reconciliation, indeed, that was a major finding that we had with the sub-treasuries because then we are responsible to edit. But again, eliminating that manual that you have to manipulate in any report is going to be a plus for us with the new system that we have.

**SEN. K. HERRERA (Business):** Who are the financial officers? Just to confirm, those would be CEOs.

**MS. T. MIRANDA (Accountant General):** The accounting officers are the CEOs. The Finance Officers are the officers who are in charge of the accounting management of the different ministries.

**SEN. K. HERRERA (Business):** Those are the accounting within the ministries?

**MS. T. MIRANDA (Accountant General):** Yes.

**SEN. K. HERRERA (Business):** And when they are late to submit their accounts to you, what happens?

**MS. T. MIRANDA (Accountant General):** We should be the ones making sure that they are compliant because the treasury should ensure that that happens. That is what we are doing currently. In the past, it was probably the subject that was not being done.

That is why we have a huge challenge. Every day, you have to balance. Every day, you have to know that your balances are in order.

It is in the regulation. It is in the regulation telling you that you close off your cash book, you balance your cash book, you prepare your deposits. Tomorrow, this is a closing balance. Tomorrow, you have an opening balance. So, it is not that they do not know. All of them should know.

That is the function of a Finance Officer as well. But the oversight comes from the accounting officer. Oversight also is for the treasury department because if the treasury department had also been reconciling, that would not have continued.

**SEN. K. HERRERA (Business):** And if that does not happen, what do you do?

**MS. T. MIRANDA (Accountant General):** The accountant general does have the authority to write for accountability of the Finance Officers. He should be able to write to the accounting officers. That is also linked to their performance appraisal as well.

So, there should be oversight of that as well.

**SEN. K. HERRERA (Business):** So, the point that the auditor general is making on page 18, I believe it is number 36, when she says that the finance officers are not submitting to you in a timely fashion, that would have related to 2016-2017 and no longer exist. That is the point you are making.

**MS. T. MIRANDA (Accountant General):** We are establishing that currently, that the reconciliation has come from them. Again, even though the financial regulation tells you what you do, you have to balance your cash flow, but there is no such template that you can classify as, okay, this is the way you do the returns. It does give us guidance as to what you should do, but then the financial order 1965 refers back to vote control.

We do not have a vote control anymore. So, we have to do the amendment of those regulations for us to be able to pay. We have a smashed system, but also the smashed system easily gives you a reconciliation.

It is just, again, it is part of the function that is being neglected.

**SEN. K. HERRERA (Business):** Okay. The auditor general also made reference to source documents being destroyed without being authorised. Are you aware of that?

**MS. T. MIRANDA (Accountant General):** We would not be aware of it unless somebody brings it to our attention, but the proper process to follow would be that they list us what is it that they want to destroy. We look at it. We go back to the financial orders.

We see the types of files that have to be destroyed, and then we issue an approval. Then that goes over to the auditor general. She vets it, and that is when she issues a certificate for destruction.

That is the correct process that should be followed.

**SEN. K. HERRERA (Business):** Okay. And does that take place?

**MS. T. MIRANDA (Accountant General):** For the ones that we are aware of, that comes to our office, yes, because we follow up on that.

**SEN. K. HERRERA (Business):** On the issue of debt management, I understand that there is a parallel system where you are supposed to, under the financial orders, you are supposed to be the one who is accountable for that aspect of it. I also understand that the Ministry of Finance, which is also the ministry under which you command as well, also have their own system that does the whole recording and management of the debt. Can you maybe explain to us how that works?

**MS. T. MIRANDA (Accountant General):** Okay. So what happens is that there was a discussion with us, the auditor general along with the financial secretary and their team. This resulted because of the same challenges that we have been seeing in the financial statements.

When we were doing the financial statements, what we were able to see is that we couldn't get information. We do not have source documents. When we were compiling information, the Treasury did not have it back then.

Back then, the debt management used to function, but just making sure that they do payments, but the reconciliation part of it, the structuring of a debt management statement for us to be able to submit in the financial statement was not there. So having detected that weakness, what the Ministry of Finance said, “okay, let me help you. Let me sort it out. Let me reconcile it, and you give me some time for us to be able to do it while we help you.”

Okay. We objected because of the mandate that is in the financial orders, that we should be able to manage the debt management. We agreed that they take it, they fix it up, because they have to find the source documents. They should be able to do the posting to give us that statement. Good.

But the agreement was that as soon as that is reconciled, that we move forward with the statements, and we do not have these challenges, then it goes back fully to the Treasury Department. So we are in that process. That was the agreement.

But definitely, we asked them that we need to be able to have access to that statement, because that is part of our requirement, that we need to be able to look at it. We have to be able to see what is in there. So that was never a problem, and we continue to strengthen the Treasury Department, and do we believe that when we get 2023, we will be able to see that we can manage this as well.

Because there should be a check and balance. Because they gave us the instruction, we should be the ones recording, and so there is a check in there, validation.

**SEN. K. HERRERA (Business):** Last question I have, I can't think around this. You said that the 2017-2018 will be submitted for audit by April of this year. Do you have any other projections for this 2026, in terms of what other years will be submitted for audit?

I know you had sent us a table. Are we still on schedule with that table?

**MS. T. MIRANDA (Accountant General):** We will have to follow up until we have the legislation changes in the legislature. Because then we still have to give the time to the Auditor General. So unless we propose, we want, as soon as we submit 2018, then we will work with the legislation. We can say that we have a draft, but then we still need, we have not done the proper consultation with the Financial Secretary, because then ultimately, he needs to be able to submit to us as well. We submitted the initial finance, but we had sent for some advice as to what can be done. So more or less we are guided by that, and we definitely will need legal advice as well, because then we need to know how that will affect for us, for the Auditor General.

So again, it's still in the process. 2026, we should have something by the end of 2026.

**SEN. K. HERRERA (Business):** Another one. The last time this discussion came up when you were here, I think that the issue was submitting multiple reports at the same time. Now, this would be you're submitting 2017-2018 in April. You're saying that the

issue is you cannot work on 2018-2019 until the Auditor General is completed with that report? What is really the issue that you'd be concerned about there?

**MS. T. MIRANDA (Accountant General):** Okay. We have the statements, because we had submitted before, but the last dates for the Auditor General needs to be given three months to deal, to do the checking of the validation, and the auditing of the report. So even if we send, we still have to wait for the time.

And then when she sends back the recommendation, it is because then she's recommending that we make adjustments before we submit another one. So if we do not comply with that, then again, it will come as even worse in her recommendation, because then we are not being compliant with her recommendations from the previous one.

**SEN. K. HERRERA (Business):** And that's part of it that I'm not fully... I don't think I fully appreciate at this point, and perhaps I'm missing something here. But if you submit the 2017-2018 in April, and while she's auditing, you're continuing to get your accounts together and prepared.

Now when she gets back to you after three months with those adjustments or whatever you have to do, you slot those in and then you're ready to go again. Isn't that the way it should work?

**SEN. K. HERRERA (Business):** It should work. If it is working like that, then last year we submitted two. But again, if you notice, the gap is in the three months, and now April right now we are ready to submit another one. And thereafter, we have them prepared. But again, it is what I have shared with them. Our reports, our statements are what we found. We can go back. Based on the recommendation, we come back and we would have to do this.

So if we continue, and then I get in my reports that I did not comply, I did not meet the adjustment. But if the issue was that I couldn't get to a document in 2015-16, it's not that it would change 2018.

**SEN. K. HERRERA (Business):** Yes, we appreciate that.

**MS. T. MIRANDA (Accountant General):** But we have them prepared.

**SEN. K. HERRERA (Business):** When you say you have them prepared?

**MS. T. MIRANDA (Accountant General):** That we can print today, and we can send to the AITA General.

**SEN. K. HERRERA (Business):** So you can send in 2017, 2018, 2019, 2020.

**MS. T. MIRANDA (Accountant General):**] I can. That is what we did the first time. And it was returned to all of those who returned to us.

We did that.

**SEN. K. HERRERA (Business):** So it may be safe to say then that you submit one in April, you can submit one in August, and you can submit one by November, December of this year. So we may have three years that can be submitted, three additional years that can be submitted in 2026.

**MS. T. MIRANDA (Accountant General):** We can work with that. We can work with that. But when we get them back, we try to do as much as possible.

If we can, we go back and try to see at least a few of the adjustments we tried to do.

**SEN. K. HERRERA (Business):** Of course.

**MS. T. MIRANDA (Accountant General):** Yes. And that takes a little bit time for us to submit again. But we try. We can do it.

**SEN. K. HERRERA (Business):** Just so that the committee appreciates the point I'm making, is that by the end of this year, it's possible that you could submit up to 2021.

**MS. T. MIRANDA (Accountant General):** We will try our very best. If the timelines allow us to do that, yes. Already, yes.

Because it will be 2017-2018 here in April.

**SEN. K. HERRERA (Business):** Thanks. Yeah.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** Good Morning, Chair and good morning, Accountant General.

Good afternoon. Just a general question in relation to the recommendations, as you have leaned over the report, the Auditor General's report for 2016-2017.

There are numerous recommendations coming from the Auditor General in terms of enhancing the accounting system: recommendations to the Accountant General's office. Having looked at this, do you agree with all of the recommendations as identified by the Auditor General with respect to this year?

I know that you're saying that in 2023 we can expect better reporting, but do you agree with, for the most part, these recommendations, or put another way or ask another way, do you take issue with any of these recommendations that you might say they're unfair because of so-and-so? Have you flagged any of them as being unfair recommendations or not accurate recommendations?

**MS. T. MIRANDA (Accountant General):** Not at all, Minister. Thank you very much for the question. Not at all.

We do appreciate and we acknowledge that this is very good for us because this comes to tell us, not only us, my Ministry's Department of Finance Officers, that we are seriously taking a look at what they are doing so that if we would become current, then we definitely can call the person who dealt with it. Right now, I don't even know if I can call persons who dealt with this, but right now we would be in a better position. So, no, not at all.

In fact, as I mentioned to you, when I look at the differences, the variances, I know what caused them. But for me to deal with it, I am talking about if I have \$48,000, in one month you multiply by 12, this is the time that I would have to apply for me to actually be able to go and correct them. So, no, these are correct.

We know it and this is why I said that we presented a report, we submitted financial statements because this is our finding. This is what was there in the system. And so we are very much aware and we are very grateful that we know that there are differences because then we can run it as well.

We have the bank accounts and we get the reports from the Central Bank. So we know that there is a difference, but we also know as well that we can correct them because we have identified, we totally agree, but we require time. That's the only thing, yes.

**HON. L.M. CHANG (Mesopotamia):** Sorry. Yes. I think the same questions I asked the Auditor General earlier, have you received resistance or non-cooperation from any department where they are not cooperating with you in terms of giving you the actual information for you to finish your work? Earlier it was said from the Auditor General that the ministries, especially BAHA and Border Management, were not cooperating and that they are saying that she has no jurisdiction over them. Do you have that in your ministry, your department?

**MS. T. MIRANDA (Accountant General):** From what we have here for right now, what I can mention to you is that, for example, when we make such requests, for example, the losses, we have a huge challenge when it comes to losses, being able to report the losses. The losses we can only find out if the Finance Officers report it. They submit to the General Losses Forum to tell us what happened.

If there is an accident, if there is a vehicle, something was lost, if there was a problem at the cashier level, if they were short, if monies are missing. We can only respond to those if they report to us. That is where we have had a challenge because even though we sent a circular for them to be able to send us what is it that you have, send us the reports that you have, we are having challenges.

So we are working towards that as well because what we are doing is that we are training our officers for them to be able to look at the process of the cashiering. So what we are going to do is that we are sending them to the ministries now for them to be able to retrieve the information. Ultimately, it is our responsibility for us to have a losses statement and if we do not have it, again, it is very counterproductive for the accountant general.

But that will be the only part that their response sometimes delayed or sometimes not at all. Again, we have to know how to escalate this because this has to go over to the COs. We have been getting a good cooperation from COs when necessary because we have been able to manage.

However, because I understand as well, this is 2016-2017, so we have to do the same thing that I am doing. Go into their records and try to find what is it that I am requesting. But definitely, we have a template now.

We have the circular that is out already so they know what is it that we are expecting. I am hoping that this will be less. We will get more cooperation from them from going forward.

**HON. L.M. CHANG (Mesopotamia):** So in a nutshell, in the past, some ministries or some departments have not been in compliance and so they are not trying to facilitate information to you. Is it possible to name some of those ministries so hopefully in the future we will get more cooperation and compliance to your department?

**MS. T. MIRANDA (Accountant General):** We do not have a list at the moment because then we cannot say you did not comply because probably there was no loss in that department. And that is the reason as to why I am saying that what we will have to do is that we will have to coordinate with the ministries for us to know if we knew that there was a loss in this department and you did not submit your losses report, then we know that you have not been compliant. But overall, I have to say that such a ministry we would have to find a problem.

Nothing happened in that ministry and that is why they did not report. But then they also have to submit that there was nothing wrong. So again, giving them an opportunity, I cannot tell you why such a ministry did that.

But in the future, we will be able to say that.

**HON. L.M. CHANG (Mesopotamia):** What are the repercussions for non-compliance from ministries when they are outright displeased and do not want to cooperate? Are there any repercussions?

**MS. T. MIRANDA (Accountant General):** It should be because then the officers should be liable to be surcharged.

**HON. L.M. CHANG (Mesopotamia):** Has any of that ever been done?

**MS. T. MIRANDA (Accountant General):** No, because then we do not have the reports. If we have the reports, but I know that the Ministry of Finance does. We have seen several that yes, they have been surcharged.

There are a few that are but then having the proper losses following the proper process, then we can.

**HON. L.M. CHANG (Mesopotamia):** Is it fair to say, and this is probably just my conclusion, to say that some of the ministries or some of the employees not the ministries but some of the employees are just trying to frustrate the system just to try to drag along for non-compliance so that you guys get frustrated in your department in terms of not a full reporting and you also have to put up incomplete information or incomplete audits?

**MS. T. MIRANDA (Accountant General):** As the Treasury, we believe that it had happened before. It had to have been that there were probably limitations in enforcement of the regulation. We want to make a change now. However, we need a little bit more. Our officers need to go out more. Oversight means that if we stay in our office, we will not find out everything.

So, we see that more and more we are we are working with the Ministry of Finance. What we see is that we have improved systems already. Improved systems that when there is expenditure to be done, there is accountability. So, we can easily follow. We can trace. If funds are being used for the purchase, we have the chart of accounts that are being more enforced now.

So, in the past, the challenges will come up again. But, moving forward, you're going to see a lot of that improved. Even with the postings now. If there is a line item for a specific procurement that you did, there is a procurement process, I mean, unit now. So, that again comes to support what the Treasury does. So, if we know that we have to get approval from Finance, we have to get approval to spend, then, yes, better accountability.

This system is better now so that we can follow as opposed to what we had when we had a lot of manual documentation in the past.

**HON. L.M. CHANG (Mesopotamia):** Okay. Final question. Would you encourage all CEOs to help apply pressure to follow up with their respective ministries to make sure that all ministries are in compliance and they send in the proper documentation and report to your ministry and the other, the Auditor general ministry so that proper reporting can be done?

**MS. T. MIRANDA (Accountant General):** Yes, definitely. We have been able to, as a Treasury, we work with CEOs a lot of times and we have been getting a lot of their cooperation. We do know that they are very cooperative with us.

However, they can only act or take action if we provide information to them, if we make the reports to them. So, the Treasury in the systems that we are implementing or we would like to implement, especially this coming fiscal year, the in every issue that we encounter, we have the channel of communication ultimately will be to the CEO. So, these are things that, because we have seen what has been happening, then we have now amended our processes and then we will reach to the CEOs.

But we are very grateful to them because so far for what we find payments in the system that we have acquired, we send it to them, we get a lot of cooperation from them. Definitely.

**HON. L.M. CHANG (Mesopotamia):** Thank you very much and let's hope the CEOs continue to help you and make all our jobs easier.

**HON. G. HAYLOCK (Chairperson):** Any other questions?

**SEN. K. HERRERA (Business):** Yes, I have one follow-up question and I think it was flagged in the report that there is not a real register of assets that are being compiled and I think you had made the point to her that some sort of thing required under the reporting standards that you used. My question is, is there any register? I mean, how do we know what assets the government owns?

How do we know when those assets were acquired, when they're being disposed of, their book value and all of that type of thing? I mean, how is that tracked within the system?

**MS. T. MIRANDA (Accountant General):** Okay, so in the past, we didn't have a fixed assets register. What is happening now with the SmartStream system and now with the procurement unit, that is what is being, I do believe that they have a project currently that they are exploring and that is a project that is being done. So that automatically will populate the fixed assets and register.

It is an ongoing project that we have at Ministry of Finance.

**SEN. K. HERRERA (Business):** Wasn't there a specific position was created as well for someone to manage government assets. I can't remember what the title is.

**MS. T. MIRANDA (Accountant General):** The Assets and Utilities Unit? They manage the assets of the government employees.

**SEN. K. HERRERA (Business):** I think there's a specific position that I'm trying to remember.

**MS. T. MIRANDA (Accountant General):** The Assets Manager? Mr. Longworth, yes. Yes.

**SEN. K. HERRERA (Business):** Wouldn't that person then be responsible to have all of these assets categorised and documented?

**MS. T. MIRANDA (Accountant General):** They have. They have started to do that. That much I can say because when we were doing the statement, we wanted to know a little bit more.

We wanted to know what they have, but what they have is what they have currently now. I cannot say which year, but what they told us is that what they have is current information they do not have for the past. So they do have information about the assets.

**SEN. K. HERRERA (Business):** But when you say current, it's everything that the government currently owns or just things that were purchased over the past couple of years? I'm trying to understand.

**MS. T. MIRANDA (Accountant General):** I would have to find out a little bit more details as to what all the information that we captured for his unit.

**SEN. K. HERRERA (Business):** It's important because from what I recall that unit has been there for a number of years now. So you'd think that given that there's a special focus on just a small area within the system, that perhaps all that information would have been compiled and that would have been an effective and accurate outcome?

**MS. T. MIRANDA (Accountant General):** I agree, yes. And then the fixed assets goes even far more because when we're talking about buildings, we're talking about far more than that.

**SEN. K. HERRERA (Business):** But that's precisely why the unit would have been there, to bring special focus into that. Because we all know that fixed assets is a significant part of the system and the per unit costs are generally large as well. I found it a little perplexing to be mild that there would have been more focus in terms of accounting for those and making sure that those are accurate and well presented.

**MS. T. MIRANDA (Accountant General):** Correct. That is correct. And then even in the report it is stated, because even though it was not recorded in the past in the Proforma for the statements, I do believe that if we're moving to Accura, then it will become a requirement.

So it is time for us to start to prepare and we are doing that. We will definitely have to have the management for that statement as well.

**SEN. K. HERRERA (Business):** Well, I did notice the discussion or the statements made with Accrual vs Cash Basis. But irrespective of what system you're using, I think that it's just good accounting practise to have fixed assets documented.

**MS. T. MIRANDA (Accountant General):** Correct, because then that automatically shows you the balance.

**SEN. K. HERRERA (Business):** How else would you know what you own?

**MS. T. MIRANDA (Accountant General):** Yeah, we're working towards that. That much I can say. In the past, we know that we have to learn from those challenges that there were and then for what is coming up, then that is something that, and I see the improvement because then even in the management of assets, we have greater, more

accountability than what we had before. But again, it's just a matter for us to come up with the requirements so that we can be able to present in the statements as well.

**SEN. K. HERRERA (Business):** No, certainly. I think the point I wanted to make is that in the private sector, you have a traditional balance sheet and that will show all you own and what you own and that type of thing. It's important, given that it's, I'm sure the government owns millions of dollars, hundreds of millions of dollars in fixed assets, that those would be given some type of importance in terms of the accounting for them.

**MS. T. MIRANDA (Accountant General):** Very good point, Senator, and definitely taking it seriously as well.

**HON. G. HAYLOCK (Chairperson):** Are there any other questions for Madam Accountant General? Madam Accountant General, it's apparent from this meeting that you play an integral role with your team in solving the bottleneck that's been created in the Auditor General report. And I acknowledge that from reports from the Office of the Clerk of the National Assembly, that the Accountant General's Office has consistently identified the core issues, which is delayed and incomplete financial statements, poor documentation, high staff turnover, underutilisation of SmartStream, limited enforcement authority, and a need for modest or strategic investment in staffing and systems.

We also acknowledge that there's a need for legislative reform for improved oversight and for targeted resource allocation. It is this committee's view that we hope that you're putting it in writing, that you're making every effort to light that fire under the staff, that they can go out and get the information required. Because the audited reports will never be finalised. The sources of documents will never be verified if your department cannot hold everybody accountable. You're really the Accounting Officer for the entire government when it comes to holding them accountable for the line items and everything thereafter. On that note, I would like to thank you, Madam Accountant General, for your informative presentation.

And of course, for your frank responses to the questions from the members of this committee. We reserve the right in the event that we have further questions that will come up in our meetings, that we will definitely seek you out to have them answered.

Thank you.

The committee will now suspend the public hearing and we reconvene at 1.40 P.M. to hear from our next witnesses.

The public hearing is now suspended.

**The hearing suspended at 12:40 P.M.**

**PUBLIC HEARING RESUMED****1:38 P.M.****BRIGADIER GENERAL – MR. ANTHONY VELASQUEZ**

**HON. G. HAYLOCK (Chairperson):** Thank you. Good afternoon, Brigadier. And thank you for appearing before this committee today.

The committee will be seeking clarification on matters referenced in the Auditor General Report that relates to the Belize Defence Force. If you wish, at this time you may make any brief opening remarks before members begin their questions.

**MR. A. VELASQUEZ (Brigadier General):** Good afternoon and thank you for having me here. And I will answer your questions then to the best of my knowledge over the circumstances of what happened during 2017-time frame. Thank you.

**HON. G. HAYLOCK (Chairperson):** Brigadier General, if you could start by just introducing yourself to the committee, saying how long you have held this position, how long you have been in the BVF, and anything important that you will think will bring some added value to this conversation today.

**MR. A. VELASQUEZ (Brigadier General):** Thank you. Good afternoon once again, gentlemen and ladies. I am Brigadier General Anthony Velasquez. I have been appointed as Brigadier General since the end of January 2026. I've been in the Belize Defence Force (BDF) for over 31 years. And I hope to leave here with everyone having a good understanding of the measures that we have taken since the time frame 2015-2017. And since then, all the measures that we have taken have created a bubble of accountability. There has been no major significant breach of impropriety in terms of the Defence Force non-public funds since that time. Thank you.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** Thank you very much, Chair. Good afternoon. Good afternoon, Brigadier.

And welcome to the JPAC committee. As you know, you've been asked to attend this afternoon, basically to get, and I like how you started out, because that is perhaps the most important end result that we need to hear. That in fact, measures have been put in place, checks and balances, since 2016 to ensure that instances like this do not occur again.

As you know, back in 2016-2017, there was a programme whereby foreign forces, in particular, the United States, Singapore, and Germany, were visiting Belize in what the Auditor General referred to as military tourism. It's the first time I'm hearing a term like that. I think even my friend, a former military, it's the first time he's hearing that.

Yeah, but in essence, it is the training of these foreign forces in Belize, but what was flagged in 2016-2017 was the payment of funds into private accounts, but yet government was financing the training of these foreign---These countries that were doing their military training here.

I don't know if you've had a chance to look at the Auditor General's report as yet. Yes, sir, I have. You have. Okay, and I want to draw your attention to paragraph 18 on page 235. And there it states, "on the 28th of June 2016, we interviewed the commander." Could you tell us who the commander was at that time?

**MR. A. VELASQUEZ (Brigadier General):** The commander was Brigadier General David Jones. David Jones.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** "During this interview, he informed that he had made the decision to get funds, and this is a quotation, to get funds from the USA, Singapore, and Germans to come do trainings here."

"During our scope," and this is the Auditor General's report, "January 2015 to May 2016, we only saw an agreement from the United States. We also saw agreements from the USA Army deposited into the bank account. No agreements or funds deposited into the account from Singapore and Germans were seen or provided, even though we found evidence that expenditure was made for the Germans."

Do you know whether or not the Germans had paid any funds to the government of Belize or to a private account for their training here in Belize?

**MR. A. VELASQUEZ (Brigadier General):** No, sir, I don't. I don't know that. I would have assumed that they would have. They were here training, but I do not know definitely that they paid any money into any account here.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** Okay. Going on, it states at paragraph 19, "the commander stated that he did not obtain authority from the financial secretary to go into agreement with these foreign army forces. On January 17, 2017, the commander was informed by us about expenses being incurred for the Germans in the year 2015, and still no repayments were seen in the bank account.

To this, the commander responded that funds from the Germans were deposited after May 2016. We then requested copies of bank statements to confirm these deposits. On the same date, we asked the present force accountant, a captain, for a copy of the bank statements that reflected the payments of the Germans.

We then received a bank account statement for period July 1st, 2016, to December 30th, 2016. There, we noted a deposit made on July 1st, 2016, for amount of \$152,442.10. We then asked for the corresponding slip. However, the captain stated he was not aware of any deposit slip and that he can only provide us with an invoice given to the Germans signed by the captain in charge.

Due to the absence of a deposit slip, we requested the assistance of the entity that manages financial data to provide us with details of who made this deposit. At the time of writing this report, we had not yet received that report. So, it is clear that after the fact, in 2016, a deposit had gone in.

Do you know whether this deposit was paid into the government coffers or into a private account?

**MR. A. VELASQUEZ (Brigadier General):** To the best of my knowledge, this deposit was paid into the BDF fund account.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** Not from the Germans directly, but from a local Belize account?

**MR. A. VELASQUEZ (Brigadier General):** I am unsure from where the funds were sourced, but definitely it was paid into our BDF account. For it to have been directly from Germany, it would have had to be a wire transfer, so more than likely that's not the case. All evidence points that it was paid through a local account, but I am not 100% certain of that.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** It is clear from the Auditor General's report that this was a highly irregular, and we heard from the Auditor General this morning, a highly irregular procedure of collecting by a private company in Belize and then paying over to the government, and the Auditor General even mentioned that she's not certain if those funds were ever reimbursed to the government or where those funds went. It even went back to the private company. And you could see why that would create a lot of irregularity and confusion within our government smart stream or government payment systems.

And you mentioned that there have been measures put in place, and I would want for you to expound on that, because this obviously is long before your time, so that we do not have an instance like this taking place again. Could you expound on what measures have been put in place?

**MR. A. VELASQUEZ (Brigadier General):** For one, there was, due to this incident, immediately after this incident, the Ministry of National Security produced standing orders which streamlined the non-public funds of the BDF and the BCJ in line with the government accounting regulations. Also, there was an Inspector General, the post of an Inspector General, which was made specifically for accountability, and that post was to the Ministry of National Security or Ministry of Defence. And also, any foreign training that occurs, specifically for Germans, it was an account opened specifically at the Ministry of National Security or Defence, where any training would have to, or any transactions would have to go through the Ministry itself, not through the BDF.

In terms of the Belize Defence Force, it appeared back then that we only had like one, maybe two accounts for the non-public accounts. The Belize Defence Force has since then, we separated our accounts, so we have several accounts and I can list them where monies are deposited for a specific purpose, right? So let me just quickly list the accounts that we have.

I have it in memory, but just so that I don't make any mistakes, I will quickly list that. So we have the BDF Fund account, and we have the BDF Welfare Fund, we have the Val Gardner Day Care Fund, we have the Benevolent Fund, we have the Non-Commissioned Officers Club accounts, we have the Officers Mess Accounts, and we have the Warrant Officers and Senior NCOs Mess Accounts. All these accounts are controlled or are managed by the Senior Funds Manager, the Deputy Commander.

He is overall responsible for these funds, and then he works through the, what we call the G4, or the Financial Logistics Officer, who is actually the, who actually manages the funds on a day-to-day basis. And there are specific rules and regulations on how these funds are operated, based on that standing order that I mentioned that was created in 2017. So there's lots of checks and balances.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** So could you say, just for clarity, if it is that a German group would like to come to do training in Belize, which one of those funds would they deposit into, and then who manages that particular fund?

**MR. A. VELASQUEZ (Brigadier General):** Okay, so if a German Army or German unit from the German Army would want to come to train, they would, first of all, let me just expand this a little bit. They would, first of all, need to go through the diplomatic route. I mean, they would have to contact the Ministry of Foreign Affairs, and through the Ministry of Foreign Affairs to the Ministry of Defence.

From there, MOUs would be signed, and the Ministry of Foreign Affairs would be in the loop. Thereafter, should everything get finalised and they actually decide to come to Belize to train, then there is an account in the Ministry, called the---specifically the Belize Jungle Warfare School account, and that's specifically controlled by the Ministry of Defence, and that's specifically for any foreign armies training in Belize.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** And that account now, since 2017 or since its creation, comes under rigorous scrutiny from your finance officers and---

**MR. A. VELASQUEZ (Brigadier General):** From the, from the, from the Inspector General. However, since that time, the account hasn't, to the best of my knowledge, it hasn't been used, because there have been no foreign agreements since then. Well, technically speaking, there have been no foreign agreements with, directly with Belize, or the Belize Defence Force, since then.

**HON. K. MUSA (Minister of Immigration, Governance, and Labour):** Thank you, Brigadier.

**HON. O. MIRA (Minister of Home Affairs and Enterprise):** Thank you very much, Chair, and thanks, General, for being here. First of all, I would really, I would have wanted, I'm sure, to have the General who was in charge at that time, you know, because he can answer all the questions. Also, the CEO, who was at the Ministry of National Security at the time, because they have all the questions, have all the answers to these questions that we have right now.

I don't want to put you in a situation where you have to be guessing, General, but just so that we know, in 2016-2017, your appointment in the BDF was where? Where were you working at the time?

**MR. A. VELASQUEZ (Brigadier General):** Between 2016 and 2017, I was a military attaché in Guatemala.

**HON. O. MIRA (Minister of Home Affairs and Enterprise):** So you're not here in the country? No, sir, I wasn't. Okay. So, you know, it, you know, the questions that we ask and the answers would be things that you would have to be researching, and, you know, second-hand answers. And I think it, I think that we should, as a committee, do invite the previous General to give us answers, because there should be accountability of what happened. There should be accountability of those monies that were, we have found out now, you know, deposited in private accounts and being used as a private business.

I know for a fact that the officer that was involved, you know, was recommended for discharge. He appealed his case and the appeal, he was given, he won the appeal and he was, and he has remained in the BDF, I think, up to now. With nothing having been done, you know, and that for me means that the process has to be streamlined, that it doesn't happen again.

With these--with the Germans, the U.S., and I think the Netherlands as well, the status of forces agreement in general, do we have any signed so far with these countries? Which allows them to come into Belize and do training?

**MR. A. VELASQUEZ (Brigadier General):** Yes, sir, we do. The last one we had was with the Netherlands that occurred last year. But the training agreement was more between the Netherlands and the British Army.

And the British has their own treaty with Belize, right? But the Netherlands trained with the British Army, and the Netherlands Armed Forces trained with the MOU agreement, or agreement signed with them, was that we provided troops as supporting troops for their exercise.

**HON. O. MIRA (Minister of Home Affairs and Enterprise):** And with these, come a cost?

**MR. A. VELASQUEZ (Brigadier General):** Yes, sir. Yes, sir, there was a cost.

**HON. O. MIRA (Minister of Home Affairs and Enterprise):** And these costs are paid directly to the account that is administered, or do they come through the agreement that you have with BATSUB and the BDF?

**MR. A. VELASQUEZ (Brigadier General):** They come through the agreement that we have with BATSUB and the BDF. So these specific costs will not be paid to the account in the ministry. They will be paid to the Belize Defence Force account.

**HON. O. MIRA (Minister of Home Affairs and Enterprise):** And you have measures in place to make sure that these are accounted for, and that they can be scrutinised by the auditor in general?

**MR. A. VELASQUEZ (Brigadier General):** Yes, sir, there are. I can expand on some of the measures that we have, if you wish.

**HON. O. MIRA (Minister of Home Affairs and Enterprise):** I know about the Status of Forces Agreement (SOFA) that was signed with the Netherlands. I believe I was the one who signed that one. And the same way we have—you see, what happened with this incident, members, is that it created a certain kind of, I guess, lack of trust in the process.

And instead of these forces coming to do training specifically with the BDF, they found it necessary now to do training along with the British forces, which, you know, we only provide now the necessary logistic support and troops. So I think that it is very important that we call the previous general and we call the probably previous CEO who has intimate knowledge of what happened during that time, so that we can get the answers from those that were responsible. Because, yes, indeed, measures have been put in place, and I believe this will not happen again, but it did happen.

And I think that we need to ensure that—what the auditor general said this morning, that some monies were returned, but he don't—she doesn't know if that—you know, I think those are some of the questions that the committee has, that ensuring that everything that was paid to that private account goes back to the BDF and that it wasn't reversed again. And not only that, but that the proper procedures that was placed in the Standing Orders by the Ministry are being followed and that this incident does not happen again.

I said it's—I know you were not even in Belize at the time when it happened. You were in Guatemala as the attaché, but you are the commander now in the BDF and it's your responsibility to ensure that something like this doesn't happen again. Thanks.

**SEN. K. HERRERA (Business):** General, good afternoon. Thank you for coming. I will go into, you know, the preliminaries and many of the information that were put to you before, but the—I know that armies are generally very structured and things, you know, for a certain way.

Would there have been an internal investigation into this matter?

**MR. A. VELASQUEZ (Brigadier General):** Yes, sir. There was an internal investigation into this matter, actually. So the individual who was deemed to be responsible for this breach of trust and accountability was placed on charge internally.

He was demoted. He was recommended for demotion and he was actually discharged as well. However, all of that was overturned by the courts, the civil courts, and through SSE he came back into the Belize Defence Force.

There were also a FIU and a police investigation on this individual and at the end of the day they turned up nothing. No charges were placed and the individual was, I wouldn't say exonerated, but then there were no charges brought against him. So he's still a member of the Belize Defence Force and he should be retiring this year.

So yes, investigations were carried out. However, nothing of substance came of it.

**SEN. K. HERRERA (Business):** So that investigation would have resulted in a formal report?

**MR. A. VELASQUEZ (Brigadier General):** Yes, sir. There are many formal reports and records of everything that happened from the day that he was placed on charge up to today. We have all the records of everything that we did.

**SEN. K. HERRERA (Business):** So then, since those reports, a formal report was done, it's not necessarily that important that whoever was there because you would be privy to this information through that report.

**MR. A. VELASQUEZ (Brigadier General):** I would have been privy to the information through the report. However, documentation and personal knowledge are two different things, right? But yes, I am privy to the documented information.

**SEN. K. HERRERA (Business):** In the report, did it state that the funds were returned?

**MR. A. VELASQUEZ (Brigadier General):**  
It stated that funds were deposited into the account.

**SEN. K. HERRERA (Business):** Into which account?

**MR. A. VELASQUEZ (Brigadier General):** Into the BDF account.

**SEN. K. HERRERA (Business):** And the BDF account is, is that a, that is not a private account, that is the BDF as a?

**MR. A. VELASQUEZ (Brigadier General):** Yes, sir. Non-public account. Yes. So \$150,000 or something to that effect were deposited into the account. Where that money was deposited from, I have no knowledge. I was told it was from a private business in Belize, but I don't know that.

**SEN. K. HERRERA (Business):** Did the report state that? Did the report state where the funds were deposited?

**MR. A. VELASQUEZ (Brigadier General):** Yes, one of, one of the reports did, one of the investigative reports did, and that is some private, I can't remember the name, but a private business, private entity in Belize. And why it was deposited, I don't know either. It didn't state that.

So monies were deposited. Why? Unknown.

**SEN. K. HERRERA (Business):** Generally, for funds that are deposited in that size of deposit would require certain disclosures by the regulatory authorities. Were they involved in that?

**MR. A. VELASQUEZ (Brigadier General):** Not to the best of my knowledge. I can only speak for the Belize Defence Force. So there was an FIU investigation and they determined that nothing inappropriate happened.

So then I, with all due respect, sir, I think that question is more based for them.

**SEN. K. HERRERA (Business):** Fair. Did the report, did the report state how long after the activity the deposit was made?

**MR. A. VELASQUEZ (Brigadier General):** Yes, about a year or two.

**SEN. K. HERRERA (Business):** After?

**MR. A. VELASQUEZ (Brigadier General):** Yes, yes. I can, I can find a specific reference. Let me see. So, yeah, it was deposited in June 2017, thereabouts. Okay, no, no. *July 1st, 2016.*

All right. Yeah, so it happened about a year or so later.

**SEN. K. HERRERA (Business):** Now, let me get, let me go to the accounting of these funds. When funds come in, it had two sides to it, you know. So if it comes in, it then becomes, I believe, an asset to the force.

**MR. A. VELASQUEZ (Brigadier General):** Yes, sir.

**SEN. K. HERRERA (Business):** What would have been the other side of that accounting? I know that you may not have accounting background, but how, I mean, you'd have to put something there. I mean, you can't just drop it in your account and that's the end of it.

I mean, it doesn't work like that?

**SEN. K. HERRERA (Business):** Yes. Do you know how it was treated?

**MR. A. VELASQUEZ (Brigadier General):** No, I don't.

I'm not aware of how, how accounting was done in the BDF at that time. Like what you said, my, my speciality or my, my training didn't, didn't deal with that. However, I am aware of how it's done now and what happened after that incident.

**SEN. K. HERRERA (Business):** Did the report, did the report state how it was treated?

**MR. A. VELASQUEZ (Brigadier General):** The deposit?

**SEN. K. HERRERA (Business):** Yes. Yes.

**MR. A. VELASQUEZ (Brigadier General):** The report mentioned that, well, that, well, the Auditor General report mentioned that the fund's manager, who was a, who's the captain at the time, was questioned about it and he did not give him satisfactory answers. So to the best of my knowledge, it wasn't very, it wasn't treated very, with any gravity, it was just treated as a matter of

fact. Even the Commander of the Belize Defence Force, when asked certain questions related to that account and the funds, just acted or responded in a cavalier manner in my opinion.

**SEN. K. HERRERA (Business):** Would that captain have been the same person who was put, who was taken through the legal process or that would have been a different individual?

**MR. A. VELASQUEZ (Brigadier General):**  
Different individual.

**SEN. K. HERRERA (Business):** Different individual. So you're suggesting that there may have been more than one individual involved in?

**MR. A. VELASQUEZ (Brigadier General):** Yes. Yes. Certainly the evidence or the, whatever was presented points to that, but not necessarily that captain, but there were, there had to be more than one individual involved in this.

However, only one individual was, by fact, one individual was charged and he went through the process and at the end of the day, nothing came out of it.

**SEN. K. HERRERA (Business):** I know that the, the, the Army also has its internal disciplinary processes. Was any of that initiated for any of the other individuals?

**MR. A. VELASQUEZ (Brigadier General):** No, just for that one individual. That one individual was, you know, determined to be, um, all the evidence pointed to him. So, um, he was, um, he went through all the disciplinary process that the police defence force could do.

No one else was pointed out or charged.

**SEN. J. CHANONA (Non-Governmental Organizations):** Good afternoon, Brigadier General. Thank you for joining us. I just had a quick follow-up question.

So sorry if I missed it before, but the reimbursed amount was dollar for dollar, the same amount?

**MR. A. VELASQUEZ (Brigadier General):** One second, ma'am.

**SEN. J. CHANONA (Non-Governmental Organizations):** Sure, sure. Take your time.

**MR. A. VELASQUEZ (Brigadier General):** I can't say for sure that that's the same amount because, um, because really, um, no one knows how much the Germans were charged.

**SEN. J. CHANONA (Non-Governmental Organizations):** I see. So was there any follow-up with a representative from the Germans for them? I mean, not for nothing, but we know the Germans are very particular and are used as a reference point for structure.

**MR. A. VELASQUEZ (Brigadier General):**  
Yes.

**SEN. J. CHANONA (Non-Governmental Organizations):** Um, no one followed up with them to find out?

**MR. A. VELASQUEZ (Brigadier General):** Yes, we did. Um, the police defence force followed up with them. However, they remained tight-lipped and, um, and, um, basically whatever happened with one particular leadership in the BDF and their leadership, um, happened there and that was, that was their issue.

**SEN. J. CHANONA (Non-Governmental Organizations):** I see. Yes. No, and I will disclose why I was asking, um, specifically in terms of dollar but your answer is far more revelatory.

But I was also curious in terms of if taxes had been paid, then certainly you would not reimburse the amount in full if you had declared taxes on it. Alternatively, if you had calculated interest or received interest, then that would have been accrued as well over the period of time not there. And if that information isn't available readily, can you commit to sharing in terms of what was on, on the file in terms of, I don't want to say it was a guesstimate, but because there wasn't a trace-back, I'm just trying to rationale or deduce why there was quote unquote nothing found in the financial investigation because if there wasn't a source document, then there's nothing to compare against.

**MR. A. VELASQUEZ (Brigadier General):** Exactly. So, um, the best guess that I can, um, that I have read was, um, anywhere seven, one second.

**SEN. J. CHANONA (Non-Governmental Organizations):** Sure.

**MR. A. VELASQUEZ (Brigadier General):** The best, the best, um, guess, I mean, it's a guess, but, um, based on what I've read, it's, um, anywhere north of 7 million.

**SEN. J. CHANONA (Non-Governmental Organizations):** Thank you for that. I want to get into earlier, you were talking about, um, measures that are now in place. Um, earlier today we've heard, um, reference to military tourism and from that figure, I'm thinking it's a lucrative option, uh, for the BDF to consider in terms of offsetting support to the force, right?

Is that the case? Is that an option in terms of engaging or?

**MR. A. VELASQUEZ (Brigadier General):** Yes, it's still an option. It's in 2022 to come back for training. Uh, however, it was the start of COVID. So that was, that fell through the floor. Um, however, that, that option is still there. There's, um, like I mentioned, there's rigorous checks and balances and more control by the Ministry of Defence, but that option is still available.

Should, um, any foreign army decides to or wishes to come to train to Belize. Uh, however, like I mentioned, they have to go through the Ministry of Foreign Affairs and it's a whole different process. It's not direct, um, commander Belize Defence Force decision.

**SEN. J. CHANONA (Non-Governmental Organizations):** Thank you. Would that be the extent to which you would wish to share to the committee, the measures that are in place?

**MR. A. VELASQUEZ (Brigadier General):** Yes, ma'am. Um, yes.

**SEN. J. CHANONA (Non-Governmental Organizations):** Okay. Thank you.

**HON. L.M. CHANG (Mesopotamia):** Um, good afternoon General. Um, just a quick couple of questions. When you started, you said, um, if you're there and, um, for 31 years of BDF and you conceded that there were improprieties done during the 2016-2017 of this case right here.

So my question is, because we don't have any other, um, audits leading up to it, is there any other improprieties that you know of, um, that we, that we do not know of yet?

**MR. A. VELASQUEZ (Brigadier General):** No, sir.

**HON. L.M. CHANG (Mesopotamia):** No, no. I mean, I'm trying to foresee the future.

**MR. A. VELASQUEZ (Brigadier General):** Every year, we audit these accounts that I mentioned before. Every year we do a stringent audit on those accounts and, um, there's no indication of any major breach.

**HON. L.M. CHANG (Mesopotamia):** So that means in the next three months when we receive the next, um, audit, uh, 2017, 2018, so BDF will not be, uh, another, um, topic in there again.

**MR. A. VELASQUEZ (Brigadier General):** I cannot guarantee that, but I can, I can speak for, for the past few years when I was deputy commander, when I was the fund manager since 2022-2023. So no, I cannot speak for anything before that, but I would, I would believe so.

**HON. L.M. CHANG (Mesopotamia):** I read in the report that while there was in this investigation that the officer was not available for questioning and for over a year. Um, I mean, when you're on study leave, I mean, I guess at that time we have WhatsApp or means of finding where they are. How is it that, that, that officer cannot be reached for over a year?

**MR. A. VELASQUEZ (Brigadier General):** Sir, that, that question has to be answered by the person who it was asked to. Um, if you asked me that question today about someone else and I will give you a completely different answer, but, um, there is no reason to the best of my knowledge why, why we can't, or you, why a commander cannot reach an officer who is overseas.

**HON. L.M. CHANG (Mesopotamia):** Thank you, General.

**SEN. J. CHANONA (Non-Governmental Organizations):** Sorry, just a quick follow-up question. Um, do officers like yourself get pension? You all are eligible for that, correct?

**MR. A. VELASQUEZ (Brigadier General):** Yes, ma'am.

**SEN. J. CHANONA (Non-Governmental Organizations):** So in terms of, of this, then that would apply because there was no discharge, no nothing, correct?

**MR. A. VELASQUEZ (Brigadier General):** Correct. Okay.

**SEN. J. CHANONA (Non-Governmental Organizations):** And by the way, thank you for your service. We appreciate it more than we can convey but thank you for being here.

**HON. G. HAYLOCK (Chairperson):** Are there any other questions for the Brigadier General? Brigadier General, when we decided to invite you to this hearing, we knew that you couldn't give any credibility to the past incident and thank you for assuring us that from now on, your policies, there's a framework to solve this situation at the start. I would like to ask you to go into your legal team, the legal team that was set up back then in 2017 to deal with this matter internally.

Have you guys been able to tweak it to get it better, that it would be more efficient this time around?

**MR. A. VELASQUEZ (Brigadier General):** Yes. Um, back then we, we didn't have the, the capability or the capacity, um, to deal with these matters as such. And we were, the police defence force is a very young force from 1978.

So we are, we were transforming, right? Um, we now have a full legal cell. Again, from the fallout of this incident as well, we have a legal department, um, where a lawyer is in charge.

And, and right now we have two students studying law. Um, uh, they're in their second or third year right now. And also, we have, um, law students, uh, actively seeking to join the police defence force as well, as we speak.

And we have many people who are paralegal trained. So, so we have a good legal department as such at the moment.

**HON. G. HAYLOCK (Chairperson):** Thank you. As it comes to like the check and balance within the accounting system, because to have us use the government resource to fund the international military camp, and then on the other hand, having someone paying it privately to a private business, what check and balance you guys have now to go within your accounting system that if we're spending X on an international military for their, for their training, that really we're receiving Y? Okay.

**MR. A. VELASQUEZ (Brigadier General):** So, um, so first thing, like I mentioned before, and I'll repeat it again, but, but it's very important that, um, these foreign militaries have to go through their Ministry of Foreign Affairs to our Ministry of Foreign Affairs, Ministry of Defence, and then Ministry of defence, um, takes it up to as far as first necessary, maybe up to Cabinet for permission, I don't know. Um, thereafter, there's agreement signed, and then, uh, the foreign military comes to Belize. They do their reconnaissance to check the areas and see if it's suitable.

They go back, and if it's suitable, then the actual training will start. The funds that they will pay the, the government or pay the ministry of defence will be deposited into the account created

by the Ministry of Defence. And the Ministry of Defence will be in charge of all the financial matters.

So the, the government, the, the foreign military will tell us this is what we need for our training. Based on the reconnaissance that they did, and our liaison officer with them, this is what we need for, for this training. We give them a cost estimate.

We assist them with developing a cost estimate, and then they go back and they send that money into our account. And then the ministry of defence will release the money to Members of the Belize defence force to, to do the transactions and purchase these monies. So, um, let me just go through some of the steps that happen, right.

So there are some instances where the BDA provides special services or assistance to the military personnel or militaries training in Belize. And the payment is done sometimes into the fund, the BDF fund, right. So the, the G4 or the fund manager, um, they will, um, okay, so first of all, the, there has to be a letter to the commander of the Belize Defence Force that authorises this, okay.

Once the approval has been given, so there has to be a written trail where, where this, um, this request for training and everything comes through. It comes from the, it goes to the ministry. They approve it and it comes, and it comes to the CBDF. He approves it and it gets sent up to the ministry, right. Now a letter is created which is sent to the funds committee. There's a funds committee consisting of, um, the CBDF, the chief of staff, the FSM, Services Battalion commander; And this letter, um, gives the reason why this fund needs to be dispersed. Each member of the committee, at least three members of the committee must sign on the, on the document, okay. And then the fund is taken out by a check, right.

And at least two members of the committee have to sign the check as well. So once the approval letter is fully completed, the check is produced under the name of the beneficiary and issued to the beneficiary. A copy of the check, a check voucher slip, and a copy of the receiver, social security observations for filing, okay.

**HON. G. HAYLOCK (Chairperson):** Thank you. Brigadier General, Senator Chanona also alluded to military tourism and you went farther to indicate to us that we have lost many of these trainings internationally from the different---My question is, is there any strategy in place to try to attract these countries to bring their military to train in Belize this time?

**MR. A. VELASQUEZ (Brigadier General):** Yes, um, partner nation engagement. Um, just recently I, um, I was abroad and, um, I, I spoke to the Canadian, um, military attaché and, um, they are interested in bringing, um, troops here to Belize. So I just offer them the invitation if they are interested and then I explain the process and everything. But I don't know if it will happen, but yes, the, the, um, invitation is always there. Again, again, it has to go through a process and it has to be authorised by the government of Belize.

**HON. G. HAYLOCK (Chairperson):** On behalf of this committee, we congratulate you on your new posting. I think you're not yet two months into the job. We wish you the best and we wish better policies for the Belize defence force.

Thank you, sir.

## PUBLIC HEARING (CONT'D)

### MR. JOSEPH WAIGHT – FINANCIAL SECRETARY

2:24 P.M.

**HON. G. HAYLOCK (Chairperson):** Good afternoon, Fin-Sec and thank you for appearing before this committee. The committee will be seeking clarification on matters arising from the Auditor's General report that relate to financial management practices and administrative oversight withing the Ministry of Finance. If you wish to provide any brief opening remarks before the Members proceed with questions, you may do so now.

**MR. J. WAIGHT (Financial Secretary):** No, I don't think I have any preliminary remarks. I mean, I'm open to questions. I think that may be a more efficient use of time. I mean, the day is getting long, you know. So, please, I'm here to try to respond to the best of my ability.

**HON. G. HAYLOCK (Chairperson):** If you may introduce yourself to this committee and to the viewers, could you tell them how long you have been within the Ministry of Finance, what role you play day-to-day within this ministry so we could have a good grasp of how knowledgeable you are within the Ministry of Finance?

**MR. J. WAIGHT (Financial Secretary):** Well, I'd be giving away my age if I do that, but yes, I've been the financial secretary going on about 20 years, a little shorter, 20 years. Another 20 years before that in the Ministry of Finance, plus another five years before that in the government service. So in aggregate, I think it's about 45 years, continuous.

**HON. G. HAYLOCK (Chairperson):** Members, the floor is now open for questions.

**SEN. J. CHANONA (Non-Governmental Organizations):** Thank you, Chair, and good afternoon. Since I appreciate your time, I know it's valuable in more ways than one.

**MR. J. WAIGHT (Financial Secretary):** I'm here to serve.

**SEN. J. CHANONA (Non-Governmental Organizations):** Mr. Waight, we have spoken before about these reports. Just to start in terms of your position, given the continued basis for disclaimer of opinion in the reports of the Auditor General and the impact that has on public financial management, please?

**MR. J. WAIGHT (Financial Secretary):** Indeed, it's unfortunate, and nobody wishes to be where we are. We're making herculean efforts to try to bring it up to date because it gives a bad look, let us say, to have the accounts so far behind. We have received quite a bit of technical assistance from our development partners, most recently from CARTAC and the IMF, to try to bring the accounts up to date.

But we have a data problem, and I think previous witnesses, including the Accountant General, went into detail. I saw some of it in the media before coming over. But we're at a point here that we can spend our time, there's 24 hours in a day, we can spend our time trying to bring the archaeology up to date, as I call it, or maybe make a break, qualify the statements, that's my recommendation, and spend that time that we have working on the current years and moving forward.

There has been a fair amount of effort and systems put in place, particularly trying to, the Accountant General mentioned a few, a cashiering system, I just signed a contract this morning, and that will help to bring the revenue postings up to date more quickly, because it all starts with the recording of the transaction as it happens, and then properly recording it so it goes into the proper accounts. We have spent a lot of time trying to expand and develop our chart of accounts, that is a 15-digit number, that each digit has a specific purpose, but it can indicate exactly where expenditure should reach, and then when we have that we can do it with a computerised system, we can select out how much money we have spent, say, on environment, how much money we have spent on gender, that type of thing. So we have been making some strides, but the thing is that at this point in time, as I say, we have 24 hours in a day, we have to learn from lessons of the past, but I would really want to recommend that we draw the line, qualify the statement, everybody knows its history anyway, and move on to try to address the current years and going forward.

At the same time, put in place systems and oversight so that it is done properly. What we find is that the public service comprises 15,000, 16,000 people, I think there is a need for, especially at the financial systems level, not only for training, but refreshers and retraining, because what happens is that in our system everybody at that level is subject to rotation and transfer, and the question has always bedevilled us, where do you put your best people? Do you put your best people in the centre, or do you do like Caesar used to do, and put his generals out in Gaul, and try to fight the battle where the problems start?

It is like if you are going to put up a dam to try to stop the flood, you put it at the Haulover Ridge, where it just reaches the sea or do you take it up the Chalillo or someplace up there and try to capture it there. So where do you apply your resources, your best resources? And we are handicapped in a sense, everyone is subject to transfer, sometimes we lose our best people, but we take comfort in saying, "well, okay, we will be removing a trained person from the treasury, but if he is going to a big spending ministry, maybe the benefit is there because they take that knowledge."

But I really think that in our whole suite of things we can do, I think we need to refresh and sometimes retrain, because knowledge is passed on without a manual, or it gets lost after a while. So, that is one of my big things, have refresher courses, people may think they are doing things right, but there is always room for improvement.

**SEN. J. CHANONA (Non-Governmental Organizations):** But as CEO, and dare I say that is refreshing to hear, I think you should consider this committee, your allies in this, because we have also expressed on multiple occasions our frustrations with dealing with decade-old reports and efforts to do that. However, and I get into the structure, because I do, I hear you on the war metaphor, I know it is a battle day-to-day, but also then can we, how can we support the necessary legislative changes that would have to follow through to those sorts of things, even in terms of if

we attempt, as you say, to maybe put the best people in the biggest spending ministries to get the offset of their trained skills and capabilities at that front, and then revisit it, and if that is not it, then we try something else. But I do think that it should be a structured way forward, and we have also heard that it has to be legislative changes, because some things are bound sometimes at the constitutional level.

So are those already in process? Is that something that this committee can support in that way, if it is already underway, and if it is not underway, when is the timing that we can expect those to begin?

**MR. J. WAIGHT (Financial Secretary):** You know, the finance and audit legislation needs to be brought more modern. The Finance and Audit Act has served it. It needs adjusting, particularly when it comes, in my humble opinion, when it comes to what is all required to feed into the financial statements.

There is a proposal to modify it a little bit, to streamline it a little bit more, but I hasten to say that we are not going to throw the baby out for the bathwater because the fundamentals are there. When you look at the old legislation and all the rules, they were not bad. Yes, you may need to lift some ceilings and so to bring them into the 21st and 22nd century, but the core is there.

We have, with the assistance of CARTAC, CDB, IDB, maybe not in that order, two modern legislations being drafted and prepared at the moment. One is for a new PF, public financial management legislation, which is going to be a major change. It has to work its way through.

The drafting is just about finished, but it will then require a whole lot of consultation, and then we will ultimately take it through the Cabinet, present it to the House and the Committee. I think we need to spend time consulting, familiarising, because it is going to be a big change, but it will result in a big improvement in the way we are doing business. So that is one piece of legislation that we are working on.

It is almost done, but the drafting is the easy part. The other piece is a new Act for Procurement and Asset Disposal, and that will centralise things a lot more. But the drafting is, we have to do the regulations and then go through.

Again, we will ask the Committee for its support when the time comes. But even now, I mean that is today, the Committee is looking at reports. It sends a signal back to the public service and managers, including myself, that your work is being monitored and is being watched.

Nothing works like the eye of the master. And I call you guys the master. Looking at what is happening, you can turn your back for too long, things kind of slow down a bit. But, you know, if there is oversight and if you know you are being monitored and being evaluated, the level of work improves.

And also, we need also to apply in cases where there is outright dereliction, there's carrots rewards, but we also need to have sticks as well. After somebody, if somebody does something negligent, say, abandon something, I think there needs to be some way of bringing it up. You know, people make mistakes, you try to help correct, but if it is basically not doing the work and

it is serial, you know, after warning and after assistance and after mentoring and all of that, I think it is time to apply.

In your bag, you have to have two things, incentives as well as disincentives for bad behaviour or wrong behaviour.

**SEN. J. CHANONA (Non-Governmental Organizations):** No, no, and I think, yes, it is fairly easy to align with that because I join you in saying that the mixed message is also that while there is oversight and somebody will pick up on what you submitted, that it is also they won't get to me in 10 years, maybe I'm not even alive in 10 years or I'm no longer in the public service in 10 years or, you know, people would have forgotten about me or I think, you know, I don't have to worry about that because I'll be out of the frame.

So I do join you in that. In the interim, thanks for sharing on the legislative work that is ongoing. In the interim, I'm curious in terms of how the reports from the JPAC are being handled or acted upon by the Ministry of Finance.

I know at our last parliamentary session we submitted a report and maybe the chair has the date. Sorry, I lost track of it just now, but on the 2015-2016 report, we had some recommendations and I asked particularly in the context that in looking at the 2016-2017 report, there is a lot of work to carry over in terms of systemic and while we're working on it, I think we can walk and chew gum at the same time, figure out if there is anything systemic that remains relevant or true that was called out by the Office of the Auditor General.

**MR. J. WAIGHT (Financial Secretary):** Recommendations, when the draft goes from the Accountant General to the Auditor General, the audit staff comes back with recommendations. In the meantime, we're doing work on other subsequent years, but the idea is to take on board those recommendations to try to reflect it in years going beyond. And also, the report coming back from the JPAC, we sit with the Accountant General and try to say, "look, what can we do immediately? What is the low-hanging fruit?" I don't like the term, but I have to use it now. And what do we require more?

We try to ensure that if we learn a lesson, say, from this report, we can put it into subsequent reports. But at this point in time, what I would want to recommend is that we try to do some more work, but take it, largely accept what it is, qualify the statement, and put your effort and time to fix what is more current. Because another thing we have here is that in our system, people rotate a lot.

Finance Officers are subject to transfer. Junior officers are even more subject to transfer. Oftentimes, if you go to a new Ministry, there's a sentiment that they're responsible for what I do, but I'm not responsible for what happened three, four years, or three or four Finance Officers before.

But you are. It's like an incoming government is responsible for whatever the other government may have done as a state. So you have to pick up the good with the bad. And again, this is where the retraining and the refreshers. And basically, at the sake of maybe patronising or

offending somebody, I would say, but look, you think you know your job, but remember, this is also part of your job.

**SEN. J. CHANONA (Non-Governmental Organizations):** Yes. And thanks for calling that out, because it is disheartening to hear that the members of the certain members of the public service that the Auditor General said they tried to reach us, never responded to the office, never.

More than never responded, was never called to explain why you didn't comply. I think we heard reference that even some were told they are not a government entity, so they put out the Auditor General's team. So I do think whether a review of that, so that there's clarity. And if the Auditor General is wrong, then no problem. But at least it doesn't send this kind of signal that some people get to tell the Auditor General, and I won't deal with you and others are---

**MR. J. WAIGHT (Financial Secretary):** The Auditor General's span covers not only the central government, but even the parastatals that are funded by the government. And that was clearly told to those who may have resisted. But in addition, but even within the central government, officers are responsible for what's on their desk and what they found on their desk.

And I think we have to stress that. If, for instance, you are constantly brought up to date, and somebody retires, gets sick, moves somewhere else, the new person is responsible to finish that work. They can't say it's because it's from somewhere else or happened before my time.

That's just plain accounting. Sorry if I'm speaking too much Kriol in this.

**SEN. J. CHANONA (Non-Governmental Organizations):** We understand you. Just one more question, please. Earlier we heard in terms of, I don't want to say accounting, but maybe it is accounting, of tracking the debt management of the Accountant General's access to it.

And I know the Ministry of Finance is leading on that. But just curious if there was a specific attempt as to why her access may not be in full at this time.

**MR. J. WAIGHT (Financial Secretary):** Okay. The thing is this, that debt management covers a range of activities. The Minister of Finance, he is authorised, after coming to Parliament, to contract debt, to negotiate debt.

Most of the time it is loan motions, IDB, CDB, whatever. So the point of contact for the legislation is the Minister of Finance. Okay.

But the actual, let us say a loan has been signed, a project has started. So then it is management of the flows of that money coming in, and then subsequently when the loan is fully disbursed, then the servicing of the loan, interest, and principal to this repayment. The Ministry for years, Ministry of Finance for years, has been dealing, paying with the payment of the, the servicing of the debt.

Notices come, payment due, X amount of dollars to pay to this bank, reprocess it. And in the processing, the request for payment goes to the Treasury, there is an account at the bottom to say which head and subhead to charge it to, or which account code. That then, if it is a foreign

payment, the next step is to go to the Central Bank, purchase a foreign exchange, and it is paid on the due date.

And we have been pretty good about paying. I mean, I have to congratulate the government as a whole, and so we are not slipping. Because we cannot afford to slip.

Now, that is the, so the Ministry of Finance for years has been doing the payment side of things. But more recently, on the disbursement side, sometimes the disbursement information goes to the executing ministry, the MIDH, as an example, or Ministry of Health, Education. And then the notices of disbursement sometimes come in late.

Sometimes you, so what we did here was we said, okay, let us try to centralise it. Pull it in because we have to account for that side of it as well. And what we are doing, we are trying to bring that up to date, in hand with the treasury, and then pass it over to the treasury.

But so they can take the ball and run with it going forward. But it is a bit of a complex, because the disbursement information is not as timely as we need. The payments are made. Imagine, for instance, a certificate, a road project, that would be an easy one. And the contractor needs to be paid an amount. It is all certified.

It is sent to the agency, CDB, IDB, whoever is funding. They make the payment to the contractor, and then at the same time they send a statement saying, your loan has been disbursed by so much but we do not get it right away.

So what we try to do is put a system in so we get it simultaneously, record the disbursements at the same time, bring it up to date, and then hand it over to the treasury and let them run with it from there. So, that is what we are doing.

**SEN. J. CHANONA (Non-Governmental Organizations):** So they will have access in full, it is just a matter of finding out how to facilitate that.

**MR. J. WAIGHT (Financial Secretary):** We talk to them on a daily basis. I mean, I should not even say us and them, we are a unit together. We are a unit together.

I mean, if we do not call the treasury, coming towards pay day we call them by the hour. To ensure that we are tracking up. Including allowances and members of this Honourable House.

**SEN. J. CHANONA (Non-Governmental Organizations):** Thank you very much, Fin-sec.

**HON. L.M. CHANG (Mesopotamia):** Good afternoon, Fin-Sec. I am going to tap on your expertise, because you have been here, you have weathered the storm for so many decades.

**MR. J. WAIGHT (Financial Secretary):** Not well, but I have weathered.

**HON. L.M. CHANG (Mesopotamia):** You said just now, and I agree with you also, that we are auditing and looking over files from 2016-2017 right now. That is what, eight, nine years

ago, audits. Based on your experience, how can, I mean, we already know that we can speed it up if we do it by every four months we do a year, and we try to get up to speed.

But we were told by a more senior member that we cannot just jump or get up to current speed, let's say in the 2020s. So, based on your experience, how can we do that in order to bypass some of these years that are ancient?

**MR. J. WAIGHT (Financial Secretary):** The thing is, you have to walk a delicate line here. We don't want to abandon and dismiss, because in any financial statements, you close off one year, the ending balances then become the starting balances of the following year, and you move on. Even if there is a break, we want to minimise that disjoint, because it has value.

But the closer we get to current, the easier it should be, because I'm reasonably assured that the Treasury has improved their daily operations, especially when it comes to balancing at the end of the day. The SmartStream system has some powerful tools in it. In any system, you should really do a trial balance at the end of the day, sweeping all your accounts and so on, and that will be your starting for the next day.

And then quarterly, you look at it at the end of the year. If you've had it really well, it should be finished in three months after the close of the financial year. The financial year closes at the end of March.

You should have at least a reasonably good facsimile of the account by the end of June. I know that the Treasury has had a lot of support from international institutions. I heard the accountant general this morning, she loses some of her good people.

We have that situation where people retire far too early. We've had to hire them back. We've hired some retired finance officers to go through ministries and find out where errors are and try to bring them up to date.

It's a full court press, trying to use as many people as possible. What we want to do is move ahead with this. But at the same time, let's not discard it altogether because there's value in it.

**HON. L.M. CHANG (Mesopotamia):** Thank you, Fin-Sec. Also, this morning when we spoke with the Auditor general and the Accountant general, of course, she made mention of two ministries that weren't being compliant. Also, she made mention of certain information withheld or outright disregarded from certain ministries to do her work.

Do we have any penalties today for how we can make sure that these ministries comply with their requests so that their work can be much easier?

**MR. J. WAIGHT (Financial Secretary):** Okay. The auditor general, I think, is fine for whatever reason not getting the full cooperation from staff. She has the authority to write the accounting officer, in this case, the Chief Executive.

And if there's no response, you can go a step further and ask for a meeting with the financial secretary, the minister of finance to take it at a higher level. But a member of staff cannot simply be uncooperative and leave it at that.

**HON. G. HAYLOCK (Chairperson):** Fintech, to add to that, this committee is critical of what the Auditor General said this morning, that in attempting to do her audit in BAHA and in Border Management, that she was not allowed to go in there, given that it's, I guess, semi-government now. We would like to hear the Financial Secretary's position on that, if that is now autonomous of government.

**MR. J. WAIGHT (Financial Secretary):** No, sir. The Auditor General has wide scope, wide coverage, not only the central government, but including parastatals that receive money from the government and those we mentioned. And in fact, when that issue came up, we sought legal advice, and it was very clear that they do fall within scope, and are subject, especially if it's simple things like a cash, accounting cash pan.

Yes, I think BAHA and Border Management Agency, do their own audited financial statements, that's fine. I mean, that is, as they should, but that does not exempt or remove them from the-----

**HON. L.M. CHANG (Mesopotamia):** Yes, that was very concerning when she said that this morning, and hopefully that all the other ministries can be more compliant so that we can get our work done, and we can do our job much faster, and we can get up to, the goal is for us to get up to speed as soon as possible. Hopefully we can do at least three years this year, and then next year we have a fresh year.

**MR. J. WAIGHT (Financial Secretary):** I share, nobody wants it more than the Ministry of Finance to be able to bring them up and to tell our taxpayers, to tell the people invested in us that, look, we have current, comprehensive, and reliable information.

**HON. L.M. CHANG (Mesopotamia):** Thank you, Fin-Sec.

**HON. G. HAYLOCK (Chairperson):** Any other questions?

**SEN. J. CHANONA (Non-Governmental Organizations):** Oh, sorry, I was waiting for the acknowledgement. Mr. Waight, just because we are in the budget cycle, we just heard the budget presented, there may be some questions from the public in terms of hearing us talk about disclaimers and systems and all of this, in terms of the integrity of the numbers that will be debated on the 24th, the week of that 24th by House and Senate. Could you speak to their position in terms of those numbers?

**MR. J. WAIGHT (Financial Secretary):** If they're accurate and----

**SEN. J. CHANONA (Non-Governmental Organizations):** However you would frame it.

**MR. J. WAIGHT (Financial Secretary):** Well, that's a wide question. Yes. I mean, there are three key lines in the budget as far as I'm concerned.

One is what was budgeted, what was added to the stream, what the expected outturn, why the variances, if any, and then how realistic the projections are for the year in question. And it's a bit of an art and a science. It's easier, in a sense, to project what the expenditure will be.

We know what the wage bill is like. We know what the little formula we can put in for each ministry. Debt service is fairly accurate because we have projections and we have a system with the Central Bank that is more than fairly accurate.

It's on the nose. The harder thing is to project revenue because there you can do something using a gross factor, you know, what the GDP is likely to be. But there are certain things that, you know, it's harder to estimate. But, you know, you're asking me to judge my work and I think it's fairly good. But not only me. I mean, it's a whole system, no?

**SEN. J. CHANONA (Non-Governmental Organizations):** Yes. No, I will join in calling you expert. So, your opinion is humble but your capacity is certainly expert.

And I ask because consistently, again, in terms of the 2014-2015, 2015-2016, and 2016-2017, the issue of wastage, of leakage, of gaps in terms of the revenue stand as one of those perennial issues. And I hear you saying again, just from that sharing, that this is where the issue is in terms of the revenue. Most recently, we heard about the bites getting bigger and less coming to the government.

So, I'm just, again, in terms of the committee's work in supporting you in promoting or advancing legislation that would help to close that and make sure that the revenues are what we need them to be. We know lots of things are on deck. We keep hearing about pension and we know the pot is getting tapped more and more.

So, how do we make sure that we're managing funds and getting to the point where it's value for money audits and making sure that we're collecting the revenues?

**MR. J. WAIGHT (Financial Secretary):** You're absolutely right. Again, with the aid of the World Bank, we're doing something called a fiscal strategy plan. It's a forecast.

It's going to be laid on the table next week, I think, by the 23rd. That idea is you forecast for three years where you think things will be, but then you have to report as to why you didn't make the forecast and what are the risks and all of that. So, a little more oversight and more financial reporting.

So, you keep an eye on the ball a little bit more. Look, in any system, there's always going to be leakages. You try to tighten them and make sure that they're as little as possible as minimising them.

**SEN. J. CHANONA (Non-Governmental Organizations):** Absolutely. And I only bring that up because in earlier testimony, I think the former Auditor General may have even said

something to the tune of a million dollars a day. So, we know it's sizable or was sizable at that time.

I'm glad to see you wide-eyed at that because I would hope that is still not the case in terms of even estimates in terms of what we're talking about.

**MR. J. WRIGHT (Financial Secretary):** I don't know where that number came from.

**SEN. J. CHANONA (Non-Governmental Organizations):** Thank you.

**SEN. K. HERRERA (Business):** Hi, Financial Secretary. Good to have you here this afternoon. My pleasure.

Just a few questions. I think much of the issues that emanated from the report has been asked or put to you in some form or the other. I wanted to just touch on cash.

I noticed in the audit report, you know, there are many issues or concerns raised about cash, cash reconciliations and that type of thing. I am sure that this has to worry you given that, you know, I mean, in any organisation, the management and the safeguarding of cash is an important function. And so, for reconciliations not to be reconciling, you know, has to be a major concern.

**MR. J. WRIGHT (Financial Secretary):** We're trying to move away from physical cash as much as possible. With Customs, for instance, I would want to say 99.9 percent of their transactions are wire or bank transfers and so. The problem is that it's in the description of what the payments are for.

We're putting a new cashiering system, which they will then be just like you have in any other---You have to cite the invoice number so you can type back. So, each payment will have a unique, not only a receipt number, but also what this payment is for.

So, you raise an invoice, put a number in there, when the member of the public, whatever they're paying, links it, cross-references. So, you know, because the idea is to try to ensure that when it comes to reconciliation, it's a lot easier because you can identify. Let us say anyone here get four or five hundred deposits. Each has a unique number and you can trace it back to what it's for and who's paying and all of that. That's why, for instance, taxing tin numbers and cross-referencing, that all will help. The idea is to minimise cash.

Now, because you're right, if it's not clear and accurate, it becomes opaque, for instance, then things can happen. So, the idea is to try to minimise actual physical cash, but not only that, if you're even paying electronically, bank transfers, to try to identify what those payments are for and to help in reconciliation and bringing, at the end of the day, your trial balance at the end of the day.

**SEN. K. HERRERA (Business):** Certainly, I agree. I mean, the world is moving away from cash completely and I think Belize is going pretty fast in that direction.

**MR. J. WAIGHT (Financial Secretary):** In fact, we're even trying to put in, sorry, I don't mean to cut across, but we're even trying to arrange so people can pay by their wallets (Digiwallets etc) or something like that. So, avoid having to deal with it. Nobody wants to carry cash anymore.

**SEN. K. HERRERA (Business):** You know, we're around the budget time now in the financial sector and I have meant to ask you this question for a number of years.

**MR. J. WAIGHT (Financial Secretary):** Now is your opportunity. Yes, yes, it is.

**SEN. K. HERRERA (Business):** I'll certainly take advantage of it. I understand that the projected land tax right now, that's possible, the potential is around \$60 million, \$60-70 million. I see in the projected, or in terms of what is expected to be collected up to the end of March this year, is around \$8 million, which would have been like a \$2 million improvement from the previous year.

That \$8 million still just represents around 15 or 16 percent of the potential. Also, there's like 85 percent of the land tax that is not being collected on a year-to-year basis. Now that certainly, I believe, affects your budget. It affects a whole lot of things because that's something that's legally, your government is legally entitled to. But for some reason, and I still have not been able to figure it out, I mean, I've been grappling with this one for many, many years. Why is it not a bigger deal?

Is this like a low-lying fruit?

**MR. J. WAIGHT (Financial Secretary):** The problem, as I understand it, and you're right, I mean, the under-collection is eye-watering in its size. But the thing is, as I understand it, is that the rules and contracts are not up to date. That is, if you send an assessment, where are you going to send it to?

I mean, what they need to do is bring their contacts up to date so that you can, if you were to mail out, let us say, several thousand tax assessments, the addresses are somewhere in the rural areas, for instance, they will come back. What we need to do is develop a system where we can identify them. Because the owners are on record, but what we're trying to do is to say, "Ministry of Land, you raise the assessments, and then you hand over to the tax services to actually work on the collection and put in some TIN numbers so that they try to trace, you know, a specific individual."

**SEN. K. HERRERA (Business):** I'm sorry to cut you off, but the issue is large. I mean, every year you're losing, you're leaving \$45 million uncollected. In 10 years, it's \$450 million, half of the national budget.

In 10 years. And I'm saying that it's such a huge issue. I mean, it's something that could impact so much of our social services and those areas.

But yet, you know, I mean, given that you're losing \$45 million every year, and if you could take \$10 million to fix that problem, I mean, it would be very much worth the while, wouldn't it?

**MR. J. WAIGHT (Financial Secretary):** The proposal is to, and they have difficulties with the, I'm trying to remember the name, but almost want to scrap it and put in a new one. I can't recall the name. Because they have difficulties with (unclear audio)-----or something like that.

But to improve the management, but the collection will be done by another department that has more expertise, and then it can fall under the authorities of the Tax Administration and Procedures Act, and it has more bang to it and all of that.

**SEN. K. HERRERA (Business):** Well, that was the proposal, but apparently it didn't get any political traction, and so I understand.

**MR. J. WAIGHT (Financial Secretary):** You can ask your colleagues across the aisle when you meet them.

**SEN. K. HERRERA (Business):** But no, the point is, and I just want to, I don't want to leave the point just like that. I think it's an extremely important point. I also think it's a low-lying fruit for government, and I also believe that the way it's set up right now is really a speculator's paradise, because you don't have to pay anything.

**MR. J. WAIGHT (Financial Secretary):** When it's time to sell the property, then you have to pay all the back taxes. But yeah, I take your point.

**SEN. K. HERRERA (Business):** You don't have to put that money up front, and so it's zero risk up front.

**MR. J. WAIGHT (Financial Secretary):** And you could also publish the arrears, people come in, and if not, you cancel the property for back taxes. You do one or two of those, you might see some response.

**SEN. K. HERRERA (Business):** No, but it's not being done.

**MR. J. WAIGHT (Financial Secretary):** I take your point.

**SEN. K. HERRERA (Business):** And the last point I wanted to raise, Mr. Financial Secretary, is on the issue of the asset management. You know, I had raised it with the Accountant General a little earlier, and I'm not getting into the accounting aspect of it for you, except that I think that it should be emphasised within the ministry that the government needs to have a good accounting of what its fixed assets are. I believe these are racking hundreds of millions of dollars.

And so it's important that those assets are accounted for properly.

**MR. J. WAIGHT (Financial Secretary):** You know, the ultimate aim is to move to accrual accounting, and one element of that is to have a very comprehensive, up-to-date asset register. It's not only movable assets like vehicles and so on, but physical assets as well. What we're trying to do in our new project is to record new purchases going forward, but then look back.

For instance, a building like this one or the others, we have to value it, put them on the books, build a comprehensive register, and then revalue each year as you go along. But you're right. I mean, the government has assets, and it's not only vehicles. Things like equipment. It just goes on and on. We have been, I think, doing better progress with management of the vehicles.

We have a tracking system on. Also, disposal of assets that are done. We have auctions.

We do a much better job on that now. Make sure things are written out properly. But you should see the right-of-files from this big, and pictures of things that are just thrown to the back of a building. Especially places like hospitals. Every hospital has a junkyard at the back with things. Try to get them out of the way. But the idea is to try to list them properly, get an idea of the quality or how good the asset is. Things will wear out. What we have is a lot of electronic waste now.

Things like old photocopiers, machines, computers that give up their life after three years and so on. There's a whole lot of electronic waste. My worry is environmental damage, but that's another story.

But you're right. Gradually build up the asset base, because if you ever go to an accrual accounting, you'll need it. But let us do the cash accounting properly first.

Crawl before we run. Thank you.

**MR. J. WAIGHT (Financial Secretary):** My pleasure, Senator.

**HON. G. HAYLOCK (Chairperson):** It's very apparent that we'll be behind the audits for many years. Is there any way that we could have independent audits, like financial audits, like present years, current years? Because whenever JPAC is presented with a 10-year audit, there's not much more we can do than try to create financial policies for the future.

But we cannot deal with anything current.

**MR. J. WAIGHT (Financial Secretary):** Senator, I think we'd have to change the legislation to allow it. And really what we'd like to do is bring it all up to date as quickly as possible and then start from there. Running two at the same time, I'm not sure we can do.

**HON. G. HAYLOCK (Chairperson):** As well, the Auditor General made clear reference to source documents being unverified for many years. And maybe digitising documents will definitely aid in this process. What's the position of the Ministry of Finance, given as your representative today, in trying to create financing for these types of initiatives?

**MR. J. WAIGHT (Financial Secretary):** We're trying to deal with personal files, digitise them. But the thing is, it's not simply, as I keep telling people, it's not simply taking a file and scanning it. It means organising the data first, putting them in proper – But in the payment system, even now, the SmartStream, there has to be a record of documents to make the payment.

There's a purchase order, there's an invoice, and all of that. And that's why you have the boxes and boxes. Some of that is scanned in when the payment goes to the Treasury.

But believe me, when a payment is made, depending on the size, it goes through three or four hands. And it should have a trail of documents behind it, starting with the purchase order, the invoice. Somebody certifies as a first approver, second approver, depending on the size.

But digitising would be the way to go. Some of it is already in there, but to digitise, there has to be past records. Almost a little working group, a task force to go through, because not everything in there needs to be put in.

So you have to have somebody with some knowledge to decide what goes in and what doesn't go in.

**HON. G. HAYLOCK (Chairperson):** As well, the Auditor General indicated in the past, I believe it might have also been the Accountant General, that certain clerical staff, that they are not on the board in selecting these employees, and they don't come with the required background knowledge. What's the position of the Ministry of Finance when it comes to giving these departments more staff and allowing them a place to help select the type of personnel they need within a department?

**MR. J. WAIGHT (Financial Secretary):** Well, you know, appointment of staff is done through the Ministry of Public Service. There are certain minimum qualifications that are required, so many CXC's. We're coming at entry level, no? CXC's and whatever. But the idea is, and I believe that every young person that comes has the capacity, the ability to work. It's a management thing, to mentor them.

So a bit of it is personal management, because I think that every young person who is anxious for a job, we try to press them to get the best out of them, but that requires a bit of human management as well.

**HON. G. HAYLOCK (Chairperson):** And from your experience, because I know, Fin-Sec, you have encyclopaedic knowledge when it comes to the financial situation within your ministry.

**MR. J. WAIGHT (Financial Secretary):** I don't.

**HON. G. HAYLOCK (Chairperson):** I would like to ask, are we seeing an increase in staffing within these departments to get the audit department and the accounts and general department more bolstered and ready to deal with audits?

**MR. J. WAIGHT (Financial Secretary):** What we try to do is give them the resources they need, human resources. So if they need a new vehicle, if they need some overtime, yes, we do it, you know. But one thing that is systemic is we have this upper bound of a retirement age.

What we are finding is it's really----I think it's time we look at it. At 55 years old, which is now the mandatory age, I think people are in their prime. They have 30 years of experience behind them. So what we find we have to do is oftentimes go back and rehire. We come back the next day and we're paying double. I may be an example, who knows.

But the idea is to lift the retirement age up, to retain, because at that point in time, you're managerial, senior management, you have some knowledge in your head.

**HON. L.M. CHANG (Mesopotamia):** Good afternoon again. I heard an interesting topic that you just mentioned about raising up the retirement age. Is that in the making? Are there any discussions on raising the retirement age? I understand at 55 today, you're in your prime right now. A lot of the memories, the learned tricks of the trade, all of those things are in there that you cannot teach.

You must have that experience. And of course, public servants retiring at 55. Of course, 20 years, 30 years ago, the average lifespan was probably about 60, maybe 65.

Now today, the average lifespan goes up to 75, maybe 80. So are there any talks on expanding that?

**MR. J. WAIGHT (Financial Secretary):** There is a committee, subcommittee made up of senior public officers, people from the members of the union as well, to look at pension reform. And the proposals are simple. Let's break it into two parts. New rules for brand new entrants. You can change that because there's no contractual obligation there. And then do something with the existing, maybe phase in over time, because the Pension bill is completely unsustainable.

We have to do something, but we can take some time, because we do have some, maybe because of lack of, he's not explaining it properly, I don't know, but there's some resistance, because the status quo is comfortable for many people.

**HON. L.M. CHANG (Mesopotamia):** Yes, it's comfortable for a lot of people, for example, in the public sector. For example, I am in the private, I have to work way past 55, 65, maybe at least 65. My dad's at 78, still comes down to help at 78 years old, so that is what keeps it going in terms of the private.

And the public at 55, that's relatively young these days.

**MR. J. WAIGHT (Financial Secretary):** It's quite young, especially for non-contributory pension. And then the benefits are fairly substantial, the retirement benefits.

And I think the Prime Minister in his speech mentioned pension reform again, I'm not sure, it was in one version, I don't know if it dropped. But no, you're absolutely right, Senator. It's urgent and every day we leave it, it gets worse.

I mean, the liability bills, because the pension liability is huge. And you're right, there are some former retired public officers who are longer in retirement than having served in the public service. They have 35 more years of retirement than in work.

Because if you're 55 and you add 35, that's 90. Some people live well beyond 90 on pension.

**HON. L.M. CHANG (Mesopotamia):** Thank you. I just thought that was an interesting topic that you mentioned about the raising of the retirement age. Thank you.

**HON. G. HAYLOCK (Chairperson):** Thank you, Fin-Sec, for your invaluable contribution to today's hearing. We thank you for your attendance.

**MR. J. WAIGHT (Financial Secretary):** Mr. Chairman, thank you very much. And if there's any afterthought questions on your way home, please.

I'm here.

Thank you. Thank you, Chairman.

**HON. G. HAYLOCK (Chairperson):** I must reiterate that the examination of the Auditor General's report is an important responsibility of this committee. The discussions held today forms a part of Parliament's responsibility to strengthen accountability and transparency in the management of public funds. The committee will now continue its deliberation behind closed doors, where we will consider the information received during today's public hearing.

We will make policy recommendations and we will table our findings in a report to the House of Representatives. On behalf of the Joint Public Accounts Committee, we would like to thank all witnesses who appeared before this committee today. To you, Madam Clerk, and to your team, thank you all for the logistical support and guidance in preparing today's hearing.

To you, my committee members, thank you for your fair and pointed questions and your overall dedication to the work of this committee.

I end by thanking the members of the media and public who followed today's hearing.

The public hearing is now adjourned.

\*\*\*\*\*