



AUDIT OF THE NATIONAL SPORTS AUTHORITY

**FOR THE PERIODS
1ST JULY, 2018 TO 31ST JANUARY, 2021**

Reference No. **DAG/C9/1/026(a)**



OFFICE OF THE AUDITOR-GENERAL
P. O. Box N-3027
Nassau, The Bahamas

Permanent Secretary
Ministry of Youth Sports & Culture
Nassau, Bahamas

June 29th, 2021

**Audit of the National Sports Authority
For the Periods July 1st 2018 – January 31st 2021**

We have conducted an audit of the subject accounts for the period July 1st 2018 to January 31st 2021.

The objective of the examination was to determine whether the accounting functions were being performed in accordance with the Financial Administration and Audit Act 2010 and the Financial Regulations, 1975; also to access the internal control system and to determine whether, the accounting records are being maintained in accordance with the International Organization of Supreme Audit Institutions (INTOSAI) Standards.

Our audit examination was carried out on a sample basis. The findings arising from our audit and appropriate recommendations are set out in the attached report. These arose from our normal audit procedures, which are designed primarily for the purpose of forming an opinion on the accounts of the Government. Consequently, our work did not involve a detailed review of all aspects of the system and cannot be regarded as a comprehensive statement of all weaknesses that exist or, of all improvements that might be made.

We would be grateful if you would kindly acknowledge receipt of this report in the first instance and let us have a response by July 9th 2021 setting out the action(s) taken or proposed on each of our recommendations.

Sincerely,

A handwritten signature in blue ink, appearing to read "Terrance Bastian".

Terrance Bastian
Auditor General

CEB/cf/dm/tw
Attch.

cc. Financial Secretary, Ministry of Finance
Treasurer, Public Treasury Department

Executive Summary

The audit of the National Sports Authority was conducted during the weeks of February 23rd 2021 through March 10th 2021. The National Sports Authority (NSA) of The Bahamas was established by the Sports Authority Act 2011 and is owned by the Government of The Commonwealth of the Bahamas.

The principal activities of the authority are to manage, maintain, and operate the Thomas A Robinson National Stadium and the Queen Elizabeth Sports Centre and the Baillou Hills Sports Complex. In addition to own, establish, develop, improve, manage, maintain and take proper control of sporting facilities granted to or secured by the Authority and to organize sporting events in The Bahamas along with to encourage the promotion of sports.

The National Sports Authority operates four bank accounts outside the Treasury System. We noted that bank reconciliations are prepared on a monthly basis for all the accounts

The credit balances on the bank accounts at February 23, 2021 were as follows:-

Account Name	Account Type	Amount
NSA Capital Account	Checking Account	853,470.87
NSA Operational Account	Checking Account	628,474.53
NSA Payroll Account	Checking Account	33,209.24
NSA Ticketing Account	Checking Account	52,957.98

Our review raises some concerns of the National Sports Authority (NSA) as indicated below:

- a) Poor Maintenance practices at NSA;
- b) Inadequate Inventory Controls;
- c) Asset Management;
- d) Contracts;
- e) Segregation of duties;
- f) Aging Receivables (2014 – to present);
- g) Boards not able to carry out the functions of the Authority;
- h) Security of Stadium.

The NSA has made significant improvements by creating the following documents:

- HR Manual;
- Employee Hand Book;
- Salary Scales implementation;
- Introduction of career paths;
- Accounts Process and Procedures Manual

We were concerned about the following:

- (a) The micromanagement of the operational affairs of NSA. Section 8 of the Sports Authority Act, 2011 indicates that, “The Minister may give to the Authority directions of a general or of a specific nature as to the policy to be followed by the Authority in the performance of its functions as appear to the Minister to be requisite in the public interest.” However, documents obtained suggest that circumvention of controls may have occurred.
- (b) The awarding of a contract without cabinet approval along with receipt of items by NSA before payment was effected.

Section 1 Introduction

- 1.0.1** The NSA depends largely on the Ministry of Finance for assistance with funding of Capital improvements at the Queen Elizabeth Sports Centre (QESC) as well as subsidy of operations and salaries.
- 1.0.2** NSA is charged with the responsibility of management and development of sporting facilities.
- 1.0.3** NSA has hosted during the period under review Four (4) major events; a soccer match between Costa Rica and Haiti – October 2019, Bahamas Bowl - December 2018/2019, and the Buju Banton concert – March 2019. In addition to Three (3) regular scheduled events; the Government Secondary Schools Sports Association (GSSA) track & Field Championships – February through March 2018/2019/2020 at the Thomas Robinson Stadium.
- 1.0.4** We observed upgrades and improvements at the following sites managed by the NSA; Thomas A. Robinson National Stadium - video boards (November 2018), The National Boxing Centre (November 2020), Sir Kendal GL Isaacs Gymnasium (March 2019/August 2019/September 2019) and the Betty Kelly-Kenning Aquatic Centre April 2019/August 2019/July 2020).

Section 2 Audit Scope and Objectives

2.0.1 The objective of the audit was to determine whether the accounting functions were performed in accordance with the Financial Administration and Audit Act and the Financial Regulations; and also determined whether the accounting records were kept in accordance with INTOSAI Standards ; and to make recommendations where necessary for the improvement of systems and procedures to enhance the financial operations of the National Sports Authority.

Section 3 Audit Approach and Methodology

3.0.1 We interviewed the Permanent Secretary and Undersecretary of the Ministry of Youth Sports and Culture, Executive team members including the General Manager, the Financial Controller, Accounts Manager and other supervisory management personnel to obtain an overview and understanding of the operational procedures in place. We also observed and documented procedures where necessary and examined a sample of the accounting records and supporting documents.

Section 4 Financial Allocation

4.0.1 The Government of the Bahamas deposited the amount of Four Million Two Hundred and Thirty Eight Thousand, Six Hundred and Twenty Six Dollars and Thirty Cents to the Operational Account in the following periods listed below:

Date	Amount (\$)
July 2018 – June 2019	1,821,275.15
July 2019 – June 2020	1,663,852.77
July 2020 – February 2021	753,498.38
Total	4,238,626.30

Section 5 Human Resources

5.0.1 The key personnel at the NSA are

- Chairman
- Deputy Chairman
- The General Manager
- Financial Controller
- The Human Resource Manager

At the time of our audit the Financial Controller position had become vacant in the month of March 2021 due to the Authority deciding to terminate the employee engagement.

In addition to, the Security Department Manager retiring in February 26th, 2021.

Section 6 Findings and Recommendations

- 6.0.1** We have set out below the main points arising from our audit. These points arose from our normal audit procedures, which are designed primarily for the purpose of forming an opinion on the accounts of the NSA. Consequently, our work did not involve a detail review of all aspects of the systems and cannot be regarded as a comprehensive statement of all the weaknesses that exist, or of all improvements that might be made.

Section 7 Revenue

- 7.0.1** During our review of the income, we observed decreases in sales in following periods 2018/2019(\$57,257) or 29% and in 2019/2020 (\$47,017) or 30%.

Income Items	Amount July 2017/ June 2018	Amount July 2018/ June 2019	Amount July 2019/ June 2020
Café Sales	97,466	48,777	36,030
Sponsorship	20,000	-	-
Event Concession Booth Rentals	5,043	11,504	11,494
Event Tailgate	3,174	-	
Event Beverage Sales	11,299	38,082	26,124
Event Ticket Sales	21,802	18,937	22,529
Fence Rental	38,405	22,632	1,740
Total	197,189	139,932	97,917

We were informed that the decrease in revenue during the year 2019 resulted from the NSA inability to generation revenue from the use of the Sir Kendal GL Isaacs Gymnasium and rentals of suites 37W and 39W due to individuals being displaced by Hurricane Dorian occupying the Gymnasium.

Additionally, the NSA due to Covid 19 during the year 2020 was unable to hold many events; the events hosted were the GSSSA- February & March 2020 along with the Inter School Sports- January 2020 and a number of local track clubs in the months of January and February 2020.

Implication

Revenue loss as a result of the Gymnasium being identified as a designated Hurricane shelter under the National Emergency Management Agency (NEMA).The NSA can be faced with the possibility of not being able to maintain the International Basket Ball (FIBA) certification in order to host International events.

- 7.0.2 It is recommended that the NSA continue to seek avenues to increase the above mentioned revenue streams.

Section 8.0.0 Accounts Receivables

- 8.0.1 It was noted that an amount of One Million Fifty Six Thousand, Three Hundred & Twenty Eight Dollars & Ninety Five Cents (\$1,056,328.95) is due to the NSA and is listed on the balance sheet. The buildup of the Accounts Receivables began during the fiscal period of June 2015 as detailed below:

Month/Year	Receivables Amount	Movement Amounts	Percentage Movement
June 2015	50,712.97		
June 2016	286,328.19	235,615.22	464.6%
June 2017	430,807.18	144,478.99	50%
June 2018	982,070.45	551,263.27	128%
June 2019	394,123.52	(587,946.93)	-59.9%
June 2020	672,264.96	398,606.20	101.1%
June 2021	1,056,328.95	384,063.99	57%

- 8.0.2 The amount of \$630,726.30 is owed to the NSA by the Road Traffic Department. It is our understanding that a formal contract for the lease of (3) Three spaces was forwarded to the Ministry of Transport. The NSA is presently awaiting a response and subsequent receipt of funds.

Implication

The NSA although funded by the Government must place more emphasis on cash management and position itself to be able to ensure that payments are immediately received for all services.

- 8.0.3 It is recommended that amounts in the Aging Accounts Receivables that are deemed none collectable be written off. A decision should be made by Management to create a bad debt expense account.**

Section 9.0.0 Hurricane Dorian Funds

9.0.1 It was noted that two amounts of \$590,300.00 totaling \$1,180,600.00 was debited to NSA Operation Account on June 2nd, 2020 and June 8th, 2020 respectively. The funds were received from the Ministry of Youth Sports and Culture. However, an e-mail document from the ministry only indicated that the funds was for repairs without giving specific guidelines.

The NSA wrote the Ministry on June 4th, 2020 to obtain instructions on how the funds was to be spent however, none was received.

An examination show that the amount of \$1,046,091.26 was transferred out of the Operational Account on November 25th 2020 to the Capital Account; a difference of \$134,508.74 which represents the following payments listed below:

Date	Vendor	Particulars	Amount \$
03/09/20	Vendor A	Repairs to Grand Bahama Sports Multi- Purpose Complex	24,151.87
03/09/20	Vendor B	Repairs to Grand Bahama Sports Multi- Purpose Complex	24,850.00
18/11/20	Vendor I	Repairs to Grand Bahama Sports Complex – Fencing	7,600
02/11/20	Vendor B	Electrical Repairs to the Grand Bahama Sports Multi- Purpose	8,750.00
02/11/20	Vendor C	Repairs to Restrooms- Freeport Grand Bahama Sports Complex	11,300.00
02/11/20	Vendor I	Repairs to Grand Bahama Sports Complex – Fencing	1,900
02/11/20	Vendor A	Repairs to Grand Bahama Sports Multi-Purpose Complex	24,151.87
11/11/20	Vendor B	Repairs to Grand Bahama Sports Multi- Purpose Complex	12,425.00
20/11/20	Vendor D	Cost Proposal Quantity Surveying & Scope	19,380.00
		Total	\$134,508.74

The following payments (\$27,475.00 + \$162,737.26) totaling \$190,212.26, detailed below when disbursed from the balance of \$1,046,091.26 thus leaving an amount in the Capital Account of \$ 855,879.00 from the funds that was received for expenses relating to Hurricane Dorian.

Date	Vendor	Particulars	Amount
16/12/20	Vendor B	Repairs to Grand Bahama Sports Multi- Purpose Complex- Final Payment	12,425.00
1/01/21	Vendor B	Balance on Electrical Repairs Sports Multi-purpose Complex Freeport	3,760.00
24/11/20	Vendor C	Repairs to the Bathroom at the sporting complex Grand Bahama	11,300.00
		Total	27,475.00

Date	Vendor	Particulars	Amount
7/01/21	Vendor E	1 st Stage Payment for the Exterior painting for KGLI Gym	75,600.00
8/01/21	Vendor D	Quantity Surveyor: cost proposal for KGLI Gym	11,504.00
15/01/21	Vendor E	2 nd Stage Payment for the Exterior painting for KGLI Gym	42,000.00
22/01/21	Vendor E	3 rd Stage Payment for the Exterior painting for KLG Gym	33,600.00
	RBC	Bank Charges	23.04
		Total	162,737.26

Implication

This may lead to budgetary misrepresentation and line items could be misstated.

Recommendation

It is recommended that supporting documentation be send when additional funds are given to NSA; so that the Authority will be better able to track cash flow.

Section 10.0.0 Events & Marketing Management

10.0.1 We observed that an events calendar is maintained by the Authority showing monthly activities. However, it was noted that some events were waved and documentation was not seen giving approval for events to be held. We were informed that the approval for events to be waved was out rightly given by the General Manager. We were further informed that certain events would have occurred before funds were collected.

Implication

This practice can lead to income loss and an overall abuse of State owned facilities.

10.0.2 **It is recommended that the events calendar be properly maintained and updated on a regular basis.**

Section 11.0.0 Expenditures

11.0.1 We noted that expenditure totals from 2018 to 2019 decreased by 2.5% i.e., \$3,297,282 to \$3,215,183, a difference of (\$82,099.00) and from 2019 to 2020, we observed an increase of 1% in the expenditure i.e., \$3,215,183.00 to \$3,247,978.00, a difference of \$32,795.00.

Expenditure Items	Amount July 2017/ June 2018	Amount July 2018/ June 2019	Amount July 2019/ June 2020
Utilities	\$651,645	\$625,461	\$646,319
Outsource Services	115,538	10,824	43,490
Repairs and Maintenance	467,412	506,218	496,418
Salaries and Staff Cost	1,491,736	1,511,198	1,608,817
Board Expense	73,644	66,235	56,484
Insurance	31,125	32,929	34,005
Event Expenses	204,500	262,084	173,833
Office & Facilities Supplies	77,142	52,699	60,593
Bank Charges	9,628	17,740	8,335
Deli/Café Expenses	70,155	35,735	21,356
Vehicle/Generator Fuel	41,570	52,927	55,865
Trucking and Broker Expenses	36,959	26,899	8,278
Miscellaneous	26,228	14,234	34,400
Total	\$3,297,282	\$3,215,183	\$3,248,193

11.0.2 Outsource Services

11.0.3 It was noted that the Authority spend an amount of One Hundred Fifteen Thousand and Five Hundred and Thirty Eight Thousand (\$115,538.00) on this item during the period of July 2017 through June 2018. However, the amount was drastically reduced to Ten Thousand Eight hundred and Twenty Four Dollars (10,824.00) for the fiscal period ending July 2018 through June 2019. It was further noted that this decrease related to various consulting contracts being cancelled and adjustments made.

Implication

Without reconciling the Payables Account before the financial period is closed, a number of payables that have to be reversed may exist and go unnoticed.

11.0.4 It is recommended that the payables account be reconciled in a timely manner.

11.0.5 Bank Charges

11.0.6 It was noted that the Authority had budgeted an amount of Ten Thousand Two Hundred Dollars (\$10,200.00) for bank charges. We further noted an increase in bank charges due to payments relating to transactions that resulted in an over expenditure of Seven Thousand Five Hundred Forty Dollars and Four Cents (\$7,540.04).

Implication

Not remaining in line with the budget that was approved by the board can allow a shift of actual expenses from necessary items to categories of lesser importance.

11.0.7 It is recommended that the Authority pay closer attention to the budget in an effort to control expenses; all efforts should be made to ensure that approved financial commitments are met.

11.0.8 Miscellaneous

11.0.9 It was noted that the miscellaneous item increased by an amount of Twenty Thousand Dollars (\$20,000.00), due to two payments that the Ministry of Youth Sports and Culture directed the Authority to pay with respect to a staff meeting/luncheon in the amount of Three Thousand Seven Hundred Ninety Nine Dollars (\$3,799.00) along with hosting of a NACAC meeting at Super Club Breeze's in the amount of Five Thousand Six Hundred Ninety Three Dollars and Three Cents (\$5,693.03), totaling Nine Thousand Four Hundred Ninety-two Dollars and Three Cents (\$9,492.03).

Additionally, an amount Four Thousand Eight Hundred Thirty Nine Dollars and Ninety Two Cents (\$4,839.92) was spent for the labor and material to construct an office for NACAC. Further, an amount of Five Thousand Dollars (\$5,000.00) was given to an individual that was directed by a senior government official to pay.

Implication

Without proper documentation of payments, funds can be abused and misdirected towards expenses unrelated to the authority which may lead to fraud.

11.0.10 It is recommended that documentation of payment be presented and approved by the board before payments are made.

Section 12 Contract Award

12.0.01 We reviewed Eight (8) contracts to ensure that the authority properly negotiated, executed and performed works in accordance with Financial Administration and Audit Act, 2010 and international procurement standards.

12.0.02 Vendor F/1,179,743.00

12.0.03 We noted that the company was overpaid an amount of \$113,105.57 of which they acknowledged represents freight charges. It was noted that an invoice from the

company in the first instance dated November 20th,2018 indicated the total cost of \$1,179,743.00 was the final amount for acquiring two score boards/Jumbotrons that included an amount of \$512,368.00 for installation inclusive of labour, materials and all related expenses.

The amount of \$300,000.00 was given to the company by NSA after one of the boards was installed. NSA was not in receipt of a formalize contract but rather a sign quotation.

We noted a balance of \$879,743.00 had remained on the contract. However, the company alleged that an amount of \$992,848.57 is outstanding. The Ministry of Finance made a direct payment to the company in the amount of \$992,848.57. The payment was made on September 15th, 2020.

12.0.04 Vendor G/\$168,000.00

12.0.05 We noted that a proper procurement process was conducted. The authority had awarded a contract to Vendor H in the amount of \$168,000.00 of which the company received a 50% mobilization fee (\$84,000.00) on the day the contract was signed. We reviewed a letter from the Attorney General’s Office dated September 23rd, 2019 that stated the company had breached the contract and had not sufficiently performed to the terms of agreement.

It was noted that this company had received an advance of \$8,400.00 to get the project back on track. However, they had not completed the works. At the time of contract termination, the company had already received an amount of \$92,400.00 Moreover, an assessment of the roof revealed that the value of the works completed was only \$84,000.00, therefore the contractor was overpaid an amount of \$8,400.00.

12.0.06 Vendor H/\$45,600.00

12.0.07 We noted that a procurement exercise was not conducted. The NSA management team nor the Board was involved in the selection of this vendor. We were informed that a contract was prepared between the authority and the company with instructions for the General Manager and the Chairman to agree to the terms and conditions of the contract.

The scope of works to be executed was for a monthly landscaping contract to clean the Tennis Center which is not a part of one of the Assets that is managed by NSA.

We further noted that the contract duration period was for Five years for the sum of \$45,600.00 with a monthly payment of \$3,800.00.

12.0.8 Vendor C/ \$22,600.00

12.0.9 The contract was signed on August 14, 2020 and the scope of works included Removal, Installation and Repairs of Bathroom furnishings and fittings (Northern and Southern Male and Female Bathrooms). The company received two payments of \$11,300 each for a total of \$22,600.

It was further noted that this contract was generated through the Ministry of Youth Sports and Culture with the paper work being forwarded to the authority to disburse payments. We were further informed that the procurement process would have been handled by the Ministry of Youth and Sports; the NSA received documents relative to the contract that was signed by a Senior Official of the Ministry of Youth Sports and Culture.

It was noted that all cheques were paid in individual names rather than the company names and collected by a Senior Official of the MOYSC.

12.0.10 Vendor A/\$48,303.74

12.0.11 The contract was signed on September 3, 2020. A 50% mobilization fee was given to the company in the amount of \$24,151.87. The scope was for the repair of the Grand Bahama Sports Multi Complex. The contract works involved renovation of a Two Story Building, Kitchen, Concession Stand, Dug Outs, Bleacher Sheds, Bathrooms, and Electrical Wiring.

It was noted that this contract was generated through the Ministry of Youth Sports and Culture with the paper work being forwarded to the NSA to make the disbursements. We were informed that the procurement process would have been handled by the Ministry of Youth and Sports; the NSA received documents relative to the contract that was signed by a senior official of the Ministry of Youth Sports and Culture. It was noted that all cheques were paid in individual names rather than the company name and were collected by the senior official of MOYSC. The remaining balance was paid on November 2nd, 2020 in the amount of \$24,151.87.

12.0.12 Vendor D/\$38,760.00

12.0.13 The contract was signed on November 23rd, 2020. The authority contracted the Construction group to prepare a scope of works to repaint the exterior of the Kendal G.L. Isaacs Gymnasium in Nassau. The contract sum was

\$38,760.00 and a 50% mobilization fee of \$19,380.00 was received by the company. It was noted that the contract was void of amounts showing costing of works to be perform.

12.0.14 Vendor E/ \$168,000.00

12.0.15 The contract was signed on December 14th, 2020 by the Chairman and the Contractor. The company received \$75,600.00 (mobilization) that was wired to the contractor bank account on December 21st, 2020. It was noted that an amount of \$42,000.00(25%) was paid by cheque dated January 15, 2021 and \$33,600.00(20%) paid by cheque dated January 22, 2021. As a result, we observed an outstanding amount of \$16,800.00 (10%) remaining to be paid on this contract.

This contract was prepared by a senior official of the MOYSC, and the chairman was directed to sign without board approval.

It was noted that the Contractor was not registered on the MOPW pre-qualifications contractors list.

12.0.16 Vendor B/ \$49,700.00

12.0.17 The contract was signed on September 3, 2020 in the amount of \$49,700 for the repairs to the Multi-Purpose Building / Grand Bahamas Sports Complex. The contract works included the Sky Box, Bathrooms, Admin Office, Weight Room, Locker Room, Storage Areas, Roof, Diagnostic Test, Blowing and clearing pipe lines, removal of plugs, removal and replacing all electrical wires.

It was noted that this contract was generated through the Ministry of Youth Sports and Culture with the paper work being forwarded to the NSA to effect payments. We were further informed that the procurement process would have been handled by the Ministry of Youth and Sports; the NSA received documents relative to the contract that was signed by a senior official of the MOYSC. It was noted that all cheques were paid in individual names rather than the company name and collected by a senior official of the MOYSC.

Section 13 Employment Contracts

13.0.01 Employee A/ \$10,000.00

13.0.02 The contract was dated January 31, 2018; however the contract was signed on February, 2018. The first payment of \$1,500.00 was a retainer fee that

was due and payable on acceptance of the agreement. It was noted that the contract was initiated by the Chairman himself, without Board Approval.

13.0.03 Employee B

13.0.04 The contract was dated August 31st, 2020, however, it was signed on October 20th, 2020. It is our understanding that the post was not advertised.

The authority was directed by a Senior Official of the MOYSC to hire Employee B with a salary of \$55,000 along with other perks. At the time of our audit, Employee B's position had become vacant.

13.0.05 Employee C

13.0.06 The contract was dated November 4th 2018, however, it was signed on November 27th, 2018. It was noted that the basic salary was \$48,500 per annum and the minimum range was \$40,000.00 The Midpoint by applying 20% brought Employee C's salary to an amount of \$58,200.00, exceeding the Midpoint of \$50,000.00. We observed that the employee received an increase in salary that took place over a two year period (November 26, 2018 – December 1, 2020).

13.0.07 Employee D

The contract was dated November 6th 2020, however was signed on November 9th, 2020 it was noted that the basic salary was \$30,500.00 per annum. It was further noted that the employee contract was not advertised and the post was not established in the salary scales.

13.0.08 Employee E

13.0.09 The contract was dated May 17th 2019, however was signed on October 10th 2019. It was noted that the basic salary was \$26,000.00 per annum. It was further noted that the employee contract was not advertised.

13.0.10 Employee F

13.0.11 The contract was dated May 17th 2019, however was signed on May 21st 2019. It was noted that the basic salary was \$31,200.00 per annum. It was further noted that the employee contract was not advertised.

13.0.12 Employee G

The contract was dated December 22nd 2020, however was signed on the January 4th 2021. It was noted that the basic salary was \$50,000.00 per annum. It was further noted that the employee contract was not advertised.

Section 14 Payrolls

14.0.01 We noted a difference in the calculations of salaries between the Accounts Department and the Human Resources Department; both are calculating weekly salaries differently. The Accounts Department is using the 52- weeks approach or 26 pay periods where annual salary is divided into 12 months and further divided by 2. The Human Resource Department is using the weekly salary multiplying by 4 afterwards multiplying by 12. Although, the two approaches should arrive at the same annual amount; discrepancies exist when employees seek monthly salary letters for banks and other financial institutions.

Implication

Incorrect calculations of salaries may cause anomalies and give the impression that staffs salaries are higher.

14.0.02 **It is recommended that salaries be calculated using the 52-weeks approach whereby annual earnings are fairly stated.**

14.0.03 **Employee Files**

14.0.04 It was noted that a number of senior managers' files were not being updated; it was observed that salary increases were not indicated in the records. We were informed that documents relative to increases were not given to the Human Resources department.

Implication

Without Human Resources leading the payroll functions staffs information can be inaccurate without proper checks and balances being made.

14.0.05 **It is recommended that the Human Resources department have responsibility for the payroll functions.**

14.0.06 **Technical Maintenance Supervisor**

14.0.07 It was noted that the holder of the job title of Technical Maintenance Supervisor had assumed additional responsibilities of supervising both the landscaping and janitorial departments. It was further noted that the duties were performed by two individuals.

Implication

The likelihood that performance can suffer as a result of work load being extensive; in addition to time management skills being stretched in an effort to ensure that all jobs are being performed well.

- 14.0.08 It is recommended that management of the NSA safeguards itself against the possibility of staffs performances and health being impacted due to the many hours each job can require to be completed.**

It is further recommended that in cases where the need exist for staffs to perform multiple tasks that a specified period be stated.

Section 15 Coordinators

- 15.0.01 It was noted that Four staff whose responsibilities include managing workers and overseeing the maintenance of facilities have not officially been given positions as coordinators. We were informed that these individuals are not paid equally.**

Implication

Staffs can become frustrated and withdrawn and display a reluctance to carry out stipulated functions.

- 15.0.02 It is recommended that a review be conducted and staffs records are updated. In addition to the post of coordinators be approved and appropriate compensation be given.**

- 15.0.03 Secondment**

- 15.0.04 It was noted that for the period under review the Authority had engaged the services of Twenty one (21) individuals from the various Government Ministries and Departments to assist in carrying out its functions. It was noted that the latest secondment took place in January 2021, of which the Authority acquired the services of both an Events and Marketing manager. It is vital that the services of these individuals are properly tracked in an effort that they are not disenfranchised.**

Implication

Individuals can become alienated from the wider public services annual reviews and promotions; as the authority is not authorized to increase the salaries of these persons.

- 15.0.05** It is recommended that a precedent be established setting forth the terms and conditions of all persons that are seconded to the Authority.

Section 16 Fixed Asset Register

- 16.0.01** The NSA maintains an asset register of which the total carrying value of all items at July 1st, 2019 to June 30th, 2020 was \$1,559,644.55. The register serves as a useful control tool for fixed assets and keeps record and track of the value and status of each asset that the Authority owns.

- 16.0.02** The register was examined and assets that carried a value of \$2,500.00 and above was inspected. We noted that out of that review a total of Forty-five (45) asset items combined reflected a value amount of \$1,448,642.03.

16.0.03 Soccer Field Cost Equipment

- 16.0.04 The Textron 30" Blade Reel** – was securely kept in a storing facility within the NSA premises adjacent to the track. The equipment was purchased on July 9th, 2014 and showed signs of wear and tear on the blade reel. The initial value of this equipment was \$7,819.20. The book value as at June 30th, 2020 was \$3,127.66. The Technical Maintenance Supervisor and an employee are the only ones that possess keys for this facility.

- 16.0.05 The Turfco Tow BHND Blower** – was not being Kept in a secure location and was exposed to the natural elements of sun and rain. This equipment was purchased on July 9th, 2014 at a cost of \$8,077.81. The Turfco Tow BHND Blower had a book value of \$3,231.13.

- 16.0.06 The Turfco SP-1530 Cush** – was not being kept in a storing facility and was in a deteriorated state. The Technical Maintenance Supervisor indicated that the equipment was currently under repair.

Implication

NSA cash flow can become negatively impacted if regular maintenance and upgrading of assets along with replacements are not done in a timely manner.

- 16.0.07** It is recommended that the Authority properly store the equipment in a proper storage facility; in an effort to prevent them from being exposed to the natural elements and the likelihood of theft.
- 16.0.08** "DVR, Mini & LG Pan Tilt Zoomed Cameras Other Components – Cameras around the NTAR premises were rusted and in need of maintenance.

16.0.09 Photo Finish Timing System – It was noted that Grand Prix Elite Sport Photofinish Timing System that was listed on the register was in the care of the BOC, Documentation supporting NSA ownership of the equipment along with the agreement to allow BOC to hold the asset was not given to the auditors for review. It was noted that the initial cost of the asset was \$89,790.00. The equipment is carrying a book value as at June 30th, 2020 of \$44,895.00 and was purchased on January 18th, 2013.

16.0.10 “FinishLynx” (Track and Field Timing System) & PA system – The initial cost for the two items were \$265,379.00 and \$154,125.00 respectively, the items were destroyed by fire on January 21st, 2018. Further we noted that the Photo Finish Timing System had not been removed from the Fixed Asset Register dated July 1st, 2019 to June 30th, 2020.

Implication

Without the Asset Register being updated in a timely manner the value and status of each asset may not be known.

16.0.11 It is recommended that the Authority update the Fixed Asset Register in an appropriate time frame; in an effort that assets will be accurately reflective in the record.

16.0.12 Sports Equipment, USC & Gilman Gear- Field Equipment - A review of the list consisted of One Hundred and Seven (107) items such as javelins, shotputs discus, hurdles, blocks, etc. A small amount of these assets were identified. The initial purchased was in May, 2013 at a value of \$41,027.22. The NSA book value as at June 30th, 2020 was \$11,966.28.

Implication

It is important to be able to be able to identify all assets as items can be removed and not accounted for.

16.0.13 It is recommended that items comprising Sports Equipment-USC be tracked and recorded; in an effort to reflect a more accurate valuation of its remaining carrying value and the need for purchasing new equipment can be easily determined.

16.0.14 Maintenance Equipment

The following Maintenance Equipment was listed on the Fixed Asset Register at June 30th, 2020.

#	Asset Name	Location	Acquisition Date	Initial Cost (BSD)	Carrying Value (BSD)
1	Jacobson Tri-King 1900 Mower (Including Custom Duties)	NEW TAR*	30-Sep-13	\$49,840.09	\$16,198.02
2	Redexim 7007H Riding Greens Aerator 6" Depth	NEW TAR	29-Jan-14	\$14,286.86	\$5,119.43
3	SCAG Mower- Shirley Ent	NEW TAR	18-Mar-14	\$9,790.35	\$3,671.36
4	18" Sod Cutter	NEW TAR	23-Jun-15	\$5,017.00	\$2,508.50
5	SCAG Commercial Zero Turn Radius Rider Mower	NEW TAR	29-Mar-16	\$16,913.60	\$9,725.32
6	Bernhard 300 Bedknife Grinder	BLUE HILLS*	30-Nov-15	\$7,500.00	\$4,062.50
#	Asset Name	Location	Acquisition Date	Initial Cost (BSD)	Carrying Value (BSD)
7	Kubota L5740 4WD HST Tracker (Including Freight)	NEW TAR	17-Nov-16	\$26,055.10	\$7,382.28
8	Jacobsen Tri King 1900D Triple Tractor	NEW TAR	17-Nov-16	\$22,155.10	\$6,277.28
9	SCAG Turf Tiger Mower	Various	4-Mar-20	\$19,929.00	\$18,932.55
10	OJL Forklift & Equipment	Various	29-Oct-19	\$30,330.98	\$26,286.85
11	Hector Turf Reelmaster	Various	29-Oct-19	\$42,052.94	\$36,445.88

NEW TAR* – *New Thomas A. Robinson Stadium*

BLUE HILLS* – *Blue Hills Location*

- (b) It was noted that all eleven (11) items with the exception of the *Jacobsen Tri King 1900D Triple Tractor* was identified. We were informed that the *Jacobson Tri King 1900D* had been submitted to the shop for repairs.
- (c) Further, it was noted that a *Bedknife Grinder Bernard Espresso Dual 3000DXR* had been stolen. A police report had been requested however, none was provided; a report on the incident was obtain from the Authority.
- (d) We were informed that the Authority obtains a police report for only insured items i.e. (buses, cars and trucks) and not maintenance equipment. It was observed that items on the list were left out in the open and exposed to natural elements.
- (e) The assets are protected by security guards patrol and camera surveillance.

Implication

Assets if not properly stored can be easy targets to theft and their life span can quickly deteriorate if allowed to be left in the open.

16.0.15 It is recommended that the Authority procure a proper facility for its high value equipment's to prolong their useful life and benefits.

16.0.16 Operations Equipment

The following Operations Equipment items appeared in the Asset Register.

#	Item Name	Location	Acquisition Date	Initial Cost	Carrying Value
1	Forklift – Caterpillar/Mitsubishi 3500	NEW TAR	24-Mar-15	\$16,750.00	\$7,956.25
2	Scag Turf Mower	NEW TAR	4-Jul-18	\$19,005.97	\$11,403.59
3	40 Foot Container	NEW TAR	5-Mar-19	\$3,840.00	\$2,944.00
4	250gal Fuel Tank	NEW TAR	5-Feb-20	\$3,299.00	\$3,079.07

(b) We was informed that the *Caterpillar Forklift* was damaged and is currently in need of repair. The equipment was sent to a company called “BOBCAT”; a quote was obtain in the amount for \$20,000.00 to have the equipment repaired however, it was said to be exorbitant.

(c) A *SCAG Turf Mower* was stored in the Storage Bunker with a broken entrance door adjacent to the Ministry of Youth Sports and Culture.
It was noted that the door had been broken during the last hurricane; however, it has still not been repaired.

(d) A *250 gal Fuel Tank* was viewed and we noted no exceptions.

Implication

Safeguarding of assets is vital in determining the value and life expectancy; as a result proper storage facilities will definitely prolong their useful life.

16.0.17 It is recommended that the entrance door to the Storage Bunker be fixed as soon as possible. Furthermore, the OAG insists that fixed assets be stored in locations so that they can be readily accessed, identified and utilized.

Section 17 40 ft. Storage Container

17.0.01 It was noted that a 40ft Storage Container recorded in the General Ledger and viewed on the Asset Register under the category “Operations Equipment”; could not be located for inspection. The container was initially purchased at a cost of \$3,840.00 in May, 2019. The container was to temporally house the Jumbotron/Score board until the completion of its installation. Moreover, the 40ft. Storage Container was to be a part of the NSA storage compound.

17.0.02 Recommendation

It is recommended that the circumstances surrounding the un-authorized removal of the 40ft. Storage Container be investigated.

Section 18 Office Furniture & Equipment

18.0.01 A request was made to view fixed assets identified as Furniture to Outfit Offices and

Executive/Admin Office Space; however, we was informed that these assets could not be readily identified and separated from those assets of similar nature that were received subsequent to the LOC acquisition.

18.0.02 It is recommended that assets acquired through the LOC acquisitions be included in the Fixed Asset Registers; in an effort to accurately reflect the net book value on the Balance Sheet.

Section 19 Inventory

19.0.01 It was noted that total inventory purchased/received during the fiscal periods under review was as follows:

Inventory	July 2017/ June 2018	July 2018/ June 2019	July 2019/ June 2020	June2020/ Jan 2021	Total Year to Date
	\$29,029.72	\$124,617.28	\$325,632.79	\$99,420.15	
Total	\$29,029.72	\$124,617.28	\$325,632.79	\$99,420.15	\$578,699.94

(b) A review of the NSA General Ledger revealed inventory purchases year to date to be an amount of \$ 1,789,231.92. Additionally, when the amount of \$1,210,532.63 for Facility Upgrades are subtracted, the result is \$578,699.94; as seen in the table above.

19.0.02 It was noted that the Authority had made the following significant improvements to NSA Inventory Department:

- (a) The hiring of an Inventory Manager;
- (b) The Introduction of Quick Books system to facilitate inventory management;
- (c) The Introduction of improved fuel measurement system to increase the effectiveness of fuel distribution and supply;
- (d) Streamlined distribution and requisition process with the inclusion of forms to be signed and submitted by Department Heads and Managers.

19.0.03 It is recommended that the Inventory Department generate an approved vendors listing, electronic system for inventory and supply requisitions from Department Heads and Managers, and additional spacing for storage of inventory items on NSA premises.

19.0.04 Purchases Reports/General Ledger Sales

19.0.05 It was noted that a number of monthly purchases amounts did not agree to the totals posted in the General ledger as follows:

Months	Vendor	General Ledger	Purchase Reports	Variances
July 2019	Company A	157.20	148.31	8.89
July 2019	Company B	3,600.80	3,212.21	388.59
July 2019	Company I	947.78	3,802.38	2,854.60
December 2019	Company B	2,856.56	2,550.46	493.90
December 2019	Company C	5,419.24	3,091.14	2,328.10
December 2019	Company D	763.25	854.84	91.59
December 2019	Company E	890.00	1,353.36	468.36
December 2019	Company F	1,825.82	3,667.90	1,842.08
February,2020	Company D	1,209.88	1,080.25	129.63
February,2020	Company B	638.40	3,947.41	3,309.01
November, 2020	Company A	574.44	501.60	72.84
November, 2020	Company G	1,250.26	758.88	491.38

Implication

Without properly identifying expenses NSA would not be able to make good financial decisions as accurate disclosure in the accounts will allow for the Authority to give real-time data for better reporting and forecasting.

19.0.06 It is recommended that a reconciliation be done between the General Ledger and the purchases reports; in an effort that variances can be corrected in a timely manner.

Section 20 NSA Security

20.0.01 It was noted that the Security Department have under their remit Nineteen (19) employees who would have signed formal contracts of engagements with the National Sports Authority . Based on the size of the premises; it is felt that Department is understaffed.

The Department also has the added challenge of securing the grounds with the increase of human traffic attracted by the presence of the Road Traffic Department and the National Insurance Board on site.

It was noted that the Security Department has designated four (4) Lead Guards amongst its staff. Lead Guards are deemed the lead security professional on duty during a given shift; they receive additional responsibilities.

The Security Department has had four (4) new hires, three resignations (3) and one (1) termination in the recent years.

Implication

Without addressing the challenges of sufficient security to properly secure the premises; the NSA can be face with issues arising beyond its control

- 20.0.02 It is recommended that the Authority marginally increase the Security Department staff to adequately secure the premises.**

Section 21 NSA Security Department Equipment

As at October 2020, the Security Department has had no radio communications. The (28) walkie talkies and twenty-seven (27) chargers supplied to the Department in 2014 are not fully functional.

It was noted that a key box which housed keys for all entrance gates, additional locks and the keys to the Surveillance Control Room are kept in the Security Department Manager and Assistant Manager's shared office. Person who have key access to this secured box include the Security Administrator, Security Manager and Security Assistant Manager.

The Security Department received fifteen (15) metal scanners, seven (7) LED lights as a result of the LOC acquisition in 2015.

It was noted that some surveillance cameras were mobile while others remained fixed. Upon access of the Control Surveillance Room, it was noted that the room was not fully functional. There were a total of six (6) blacked out monitors. Each monitor can be used to view video from various cameras around the facility. Access to the Control Surveillance Room is restricted to the holder of the Department Manager, and an IT Specialist.

21.0.01 Surveillance Cameras

It was noted that surveillance cameras and flood lights were situated in appropriate areas around and inside the New Thomas A. Robinson Stadium, Old Thomas A. Robinson Stadium, Betty Kelly Swim Complex and Kendal G.L. Isaacs Gymnasium.

We received documentation of all working Camera Systems at the National Stadium and noted 84% of the cameras were operable while 16% were deemed inoperable.

It was further noted that the report highlighted that the cameras was last updated in 2019.

21.0.02 Alarm Systems

It was noted that the Kendal G.L. Isaacs gymnasium is equipped with a security alarm system.

21.0.03 Fire Extinguishers and Hoses

It was noted that Fire Hose Boxes equipped with a fire hose and fire extinguishers were located at appropriate points in and around the premises. The OAG noted that some fire hose boxes had been broken and could not be locked/closed; and overly exposed to the natural elements which would have caused rust along with the dry rot of various fire hoses around the premises. In particular, it was observed that access to a fire hose box was obstructed in the Eastern Grandstand of the New Thomas A. Robinson Stadium.

A number of fire hose boxes lacked fire hoses and or fire extinguishers, furthermore, a large number of the fire extinguishers were past due inspection. We were informed that a number of fire boxes were vandalized during international, national, private and public school sporting events; however, no incident reports were received.

21.0.04 Gates & Security Checkpoint Booths

The security check point posts and entrance gates around the premises was noted to be well kept and in working order.

Implication

It is important that all safety apparatus are working and maintain in good working condition as events hosted by the NSA, generates large crowds and the issue of safety is paramount.

- 21.0.05 It is recommended that fire hose boxes be properly secured and locked; further, monitors within the Security & Surveillance room be repaired, the inoperable cameras be replaced, and hand held radios for Security personnel be fixed.**

It should be noted that by implementing this recommendation the overall effectiveness of NSA's Security Department and its personnel will be improved.

21.0.06 Evacuation Drills

21.0.07 It was noted that evacuation drills for staff members are not being conducted on a regular basis. We were informed that NSA had not performed an evacuation drill in over a year.

Implication

The importance of conducting an evacuation drill can show the strengths and weaknesses of the Authority readiness to handle a fire or a bomb threat.

21.0.08 **It is recommended that NSA perform annual evacuation and fire safety drills so as to ensure the safety of its employees in the event of a fire or other threats.**

21.0.09 Incident Reporting

21.0.10 It was noted that NSA have in place an Incident report document. We observed that the document was well structured. However, we noted that there were few incidents reports related to the breaking of fire hose box safety glass; however, this may have been due to limited Security personnel manpower on the premises.

21.0.11 **It is recommended that incident reports pertaining to matters of vandalism be recorded and kept for record keeping purposes.**

Section 22 Vehicles

22.0.01 It was noted that the NSA have a total of Seven vehicles listed on the fixed Asset Register as detailed below:

#	Vehicle Name	Location	Quantity	Acquisition Date	Initial Cost (BSD)	Carrying Value (BSD)
1	Chevy Colorado Leat Truck Eng 3.7L White	NEW TAR	2	11-Sep-12	\$80,860.00	\$0
2	Golf Cars	NEW TAR	4	10-Oct-12	\$6,540.00	\$0
3	2002 Honda Fit	NEW TAR	1	15-Jan-14	\$9,400.00	\$0
4	2013 Hyundai HD Truck	NEW TAR	1	7-Mar-14	\$39,000.00	\$0
5	2014 Hyundai 2013 HD 65 Truck	NEW TAR	1	28-Mar-16	\$39,344.18	\$5,901.61
6	Mazda Premacy 2010 Silver Car	NEW TAR	1	14-Aug-19	\$6,500.00	\$5,416.67
7	2010 Nissan Note Silver	NEW TAR	1	15-Aug-19	\$5,000.00	\$4,166.67

22.0.02 It was noted that a log record is not maintained for vehicle use; as a result there was no documentation as to who and when vehicles are used. However, we were informed that a Vehicle Log Sheet has been drafted and will be subsequently put in place in the coming weeks. A blank Vehicle Log Sheet was received along with certificates of insurance and supporting documentation for the insurance of all company vehicles on the NSA premises.

Implication

Without keeping a record of vehicles use there is no way of determining if vehicles are being use for official purposes.

22.0.03 It is recommended that a log sheet be implemented and maintained, in an effort that to tract vehicle use.

22.0.04 It was noted that Three (3) vehicles namely a 2021 white Kia Soluto Sedan (\$17,360.00), a 2012 Black Toyota Camry (\$14,393.00) and a 2010 Grey Mazda Premacy (\$6,500.00) was all purchased by NSA however, was not listed on the Asset Register

It was revealed that the 2021 white Kia Soluto Sedan was approved by the Chairman without the other board members approval. Further, the 2012 Black Toyota Camry and the 2010 Grey Mazda Premacy was purchased without the Chairman and any other board members approving the purchase.

It was further noted that none of the purchases were ever mentioned in board minutes and during a meeting of the board dated December 9th, 2020 it was indicated that, *“All works that was approved at the last meeting has to be on hold because of lack of funds.”* However, we noted that the Kia Soluto Sedan and the Toyota Camry was purchased at this time.

Implication

The unauthorized purchase of vehicles can lead to abuse of funds that were intended for the operations of NSA.

22.0.05 **It is recommended that the practice of unauthorized vehicle purchases cease immediately, all vehicle purchases should obtain board members approval.**

Section 23 Petty Cash

23.0.1 The Petty Cash was examined on 23rd February, 2021. The cash on hand amounted to \$1,000.00.

23.0.2 The Petty Cash was established with an amount of \$1,000.00. We noted that a Petty Cash Register is maintained and employees are made to sign when cash is issued and returned.

23.03 An outstanding receipt in the amount of Eighty two Dollars and Thirty Eight Cents (\$82.38) was discovered in the Cash Balance Record Report dated February 4th, 2021.

Implication

A possible misstatement in the balance of the Petty Cash, thus resulting in the physical cash count being understated.

23.04 **It is recommended that Petty Cash Purchase Receipts be given to the accounts section in a timely manner to avoid cash from being understated.**

Conclusion

- 24.0.01** Having examined the accounting system, we conclude that there were many failures of Executive Management in breach of the Financial Administration and Audit Act 2010, Financial Regulations, 1975 and The Sports Authority Act, 2011. We have noted our observations in the report and concluded that besides several control functions in need of overhaul the accounts are being fairly maintained.
- 24.0.02** We have discussed the finding of our audit with the Chairman and the Accounts Manager. There was an understanding that efforts would be made to address the observations made.