

OFFICE OF THE AUDITOR GENERAL
AUDIT OF THE 50TH CARIFTA
FOR THE PERIOD SEPTEMBER 1ST, 2022 TO APRIL 30 TH, 2023



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Reference No. **OAG/C.9/1/011**



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

Permanent Secretary
Ministry of Youth Sports & Culture
Nassau, Bahamas

March 18th, 2024

**AUDIT OF THE 50TH CARIFTA
FOR THE PERIOD SEPTEMBER 1ST, 2022 TO APRIL 30 TH, 2023**

We have conducted an audit of the subject accounts for the period September 1, 2022 to April 30, 2023.

The objective of the audit was to determine whether the accounting functions were being performed in accordance with the Financial Administration and Audit Act 2010, the Financial Regulations 1975, and the Public Finance Management Act 2021; also to assess the internal control system and to determine whether, the accounting records are maintained in accordance with the International Organization of Supreme Audit Institutions (INTOSAI) Standards.

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

Sincerely

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

Terrance Bastian
Auditor General

CEB/tw/lg
ATTCH.
CC. Financial Secretary
Treasurer, Public Treasury Department

Executive Summary

The CARIFTA Games Company Limited was organized on September 2nd, 2022. The office is located at the Bahamas Association of Athletics Associations (BAAA) at Thompson Boulevard in New Providence, Nassau Bahamas. A Local Organizing Committee (LOC) was established under the portfolio of the Ministry of Youth, Sports and Culture to plan the CARIFTA Games. The Executive Committee was appointed jointly by North American Central American and the Caribbean Athletic Association (NACAC), the Ministry and the BAAA.

The CARIFTA Games Company Limited is tasked with the responsibility to plan, execute and manage the CARIFTA Games held in the Bahamas on April 7th through April 10th, 2023. The CARIFTA Games is an annual athletics competition founded by the Caribbean Free Trade Association on May 1st, 1968 to enhance relations between English-speaking Caribbean Countries. The meet is normally ran during the Easter period for three days and includes over 150 separate events and is considered to be one of the best development meets in world athletics.

The audit sought to ascertain whether, the activities of the CARIFTA Games were carried out in accordance with the relevant laws that govern its operations, and that the internal controls and accounting systems were adequate and operating efficiently and effectively.

Our audit uncovered the following key findings:

- 1. The 2023 Carifta Games Company Ltd. was not registered correctly.**
- 2. The LOC did not retain corroborating evidence for value in kind donations.**
- 3. The Events Organization Agreement (EOA) was not signed.**
- 4. Breach in contract agreements and stipulations related to employees, vendors and sponsorship agreements.**
- 5. Senior Director and other employee contracts were not certified; therefore, employee tasks and responsibilities were not clearly defined.**
- 6. Temporary personnel assigned tasks unrelated to the Games resulting in a 38% increase in weekly salaries.**
- 7. Policies pertaining to the request for funds, purchasing and procurement, and allocation of funds were not adhered to.**
- 8. Non-adherence to Carifta Games budget, with no evidence of agreed-upon budgetary adjustments.**
- 9. Deficit upon Carifta Games' completion.**
- 10. Hiring Policies and Procedures Circumvented**
- 11. Severance Pay eligibility irrespective of employment status.**

FINDINGS AND RECOMMENDATIONS

1. **Documents presented did not indicate that the 2023 CARIFTA Games Company Ltd was registered correctly.** Furthermore, upon examining the registration documents, it became apparent that the organization is categorized as a company under the Companies Act, 1992, as opposed to a company operating as a non-profit organization.

Execution and thorough examination of company registration ought to be performed by a competent professional. Should any errors arise during the registration process, it is imperative that another individual with the necessary expertise be capable of scrutinizing and rectifying discrepancies prior to the initiation of operations.

2. **The Local Organizing Committee did not always keep invoices for value in kind amounts from vendors.** It did not consistently maintain invoices for three (3) companies, totaling \$76,300.00. Further, no written records (e.g. letter of service or receipts were available for the in-kind support committed or received).

Documentation of value in-kind should be obtained through invoices, receipts, or other officially signed supporting documentation that verifies both its value and date it was acknowledged. The responsibility of maintaining the supporting documentation for value in-kind lies with the Chief Financial Officer (CFO) and his/her team. Furthermore, the support for value in-kind should undergo a monthly review.

3. **The Events Organization Agreement (EOA) was not signed.** Additionally, we were informed that the EOA was put in place to assist the process of planning and executing the CARIFTA Games. We did not examine deliverable details, key terms and responsibilities, payment amounts, or methods and time frames. The EOA was requested, but not received.

The EOA/Governing Policies and Procedures manual must be signed, approved, and disseminated to pertinent parties within the organization to effectively communicate the specifications, obligations, strategies, and time constraints before the organization's commencement. This document must be easily accessible to management and audit personnel

upon request from the Human Resources Department and/or Management personnel.

- 4. We found that there was breach in the contract pertaining to sponsorship agreements.** The initial cash injection to Company C was \$50,000.00; however, this amount was subsequently reduced to \$25,000.00 as a result of a failure to comply with contractual provisions. There was a verbal agreement made for Company D to exclusively furnish beverage services for a fee of \$15,000.00; this agreement was not enforced. A decision was made to engage local vendors.

Verbal agreements should not be upheld unless they are accompanied by contractual agreements that have been mutually agreed upon. It is imperative to establish and implement internal controls aimed at reducing the likelihood of contract violation and subsequently financial losses and damage to professional reputation

- 5. The LOC failed to certify senior director's contracts.** The proper procedure for submitting directors' contracts to the Attorney General's Office for vetting was not followed. The contracts were modeled after contracts previously drafted during the IAAF World Relays. In addition, no position openings in the organization's Local Organizing Committee (LOC) were publicly advertised.

The LOC is expected to adhere to the regulations specified in the Bahamas Employment Act Chapter 321 (A) when dealing with its employees. In order to verify compliance with this act, the provision of a certified contract serves as essential supporting documentation. It is imperative that relevant individuals receive these contracts, and employment positions be openly and impartially advertised.

- 6. Documents presented indicate that the weekly salaries increased by 38%.** There was an augmentation in weekly remunerations for the temporary workers. The stadium experienced a surge in its workforce, employing a total of 100 temporary staff, who were assigned tasks unrelated to the Games. In December, 2022, all temporary personnel were released from their duties, with only approximately 60% of them being reinstated in January 2023. Expenditure escalated from \$400,000.00 to \$1,068,910.78 dollars during September, 2022 through April, 2023.

Strict adherence to the approved budgetary expenditure estimates is imperative, and it is essential to seek prior approval from the Chief Financial Officer for all expenses. The recruitment of new staff members should involve a thorough interview and vetting process to assess their skills, contributions, and responsibilities within the organization, alongside agreed-upon compensation.

The obligations and remunerations of temporary employees ought to be recorded in contracts and assessed by the Human Resources Department prior to the allocation of tasks to individuals.

It is anticipated that there will be a rise in organizational expenses in the months leading up to the Games; nevertheless, provision should have been made for contingency expenses in the budget planning phase.

- 7. We found that Company D had committed to donate \$300,000.00 for the event.** The contract was executed on January 23, 2023, with an expiration date set one month after the conclusion of the Games. 'Section 5, Subsection 5.1 of the contract emphasized the following stipulation: In exchange for the grant of RIGHTS is obligated to remit the specified sum of cash outlined in Appendix B, with the payment to occur as specified therein, and to furnish the LOC and NACAC with the designated products as defined in Paragraph 2 of the Appendix B'. Appendix B, comprising sections 1,1.1,1.2 and 1.3, indicates that Company D 'is obligated to pay the cash amount of \$300.000.00, the entire sum, with 50% due immediately upon the execution of this agreement and public announcement of the Sponsorship, while the remaining 50% is to be paid to the LOC thirty (30) days before the start of the event'. This stipulation was not adhered to.

Enhancing the organization's knowledge of contracts between management and vendors can be achieved through regular bi-weekly meetings that include an itemized agenda addressing contract specifics, deliverables, and related details. As the LOC's event approaches, the frequency of these meetings should be escalated in order to reinforce agreed-upon procedures and monitor the progress of deliverables.

8. **The Government initially budgeted an amount of one million dollars (\$1,000,000.00) for the CARIFTA Games.** The sum of one million dollars was allocated towards the initial expenses of the CARIFTA Games. The procedure for acquiring funding involved submitting a drawn-down schedule to the Ministry of Youth Sports and Culture for authorization, was not consistently adhered to. Funds received had already been allocated to expenses unrelated to the Games. There were weak internal controls in purchasing and procurement procedures established by the Chief Financial Officer (CFO).

Prior to the disbursement of funds, it is imperative to allocate the budgetary line items and their respective funds.

Any expenses that deviate from the mutually agreed upon budget should obtain the approval of the Chief Financial Officer (CFO) prior to the release of funds.

9. **We found reimbursements made to Company E totaling \$524,000.00.**

Based on documentation, it has been determined that Company E was remunerated for the period spanning September, 2022 to April, 2023. However, it is evident that the expenses incurred deviated from the guidelines outlined in the CARIFTA Games 2023 Expenditure and Procurement Control Management Manual. The entire procurement process was found to have been bypassed, neglecting the specified sections: Purchase Committee f 2.4 (a, b, c, d) and Process Flow over Procurement 2.5 (e).

An initial sum of \$180,000.00 was reimbursed for costs unrelated to the games including salaries, supplies and stadium preparations. Additionally, reimbursements made to the company were made for the following expenditures:

- Production - \$100,000.00
- Salaries - \$100,000.00
- Electrician fees - \$30,000.00
- Credit card charges (Todd Delaney) - \$10,000.00
- Printing magazines - \$8,054.00
- Materials, paint, and building supplies - \$95,946.00

The LOC is expected to comply with the guidelines outlined in the Carifta Games 2023 Expenditure and Procurement Control Management Manual. It is imperative that all reimbursements obtain appropriate approval from the Chief Financial Officer before funds are disbursed.

10. **The LOC assembled a Cultural Village that later became a parking lot for events and different religious services.** Funds totaling \$217,865.21 were used for the construction of a cultural village were not originally included in the CARIFTA budget. Consequently, cheque number 1557 dated February 17, 2023 was generated and recorded in the General Ledger with an amount of \$171,718.63 but had to be voided in order to cover this unforeseen expenditure. Additionally, after the conclusion of the Games on May 5, 2023, outstanding payments for hotel accommodations and transportation costs remained unsettled.

The LOC must adhere to the budget where appropriate. If it becomes impossible to adhere to the budget, a revised budget should be prepared and mutually approved before any significant expenditures are authorized. The CFO and management should be involved in developing the revised budget to ensure the Carifta Game's strategic objectives are still met despite the reallocation of funds.

11. **The LOC amalgamated with Company H as a stock exchange partner of the CARIFTA Games.** Company H sought the support of individuals and organizations across the Bahamas, the Caribbean, the Americas, and internationally to sponsor the CARIFTA Games.

The Company and the LOC did not conduct a reconciliation leading to a lack of awareness of the funds generated on the Company platform.

The management team of the LOC should hold regular meetings to discuss contract stipulations, deliverables, and timeliness. This measure is crucial in order to minimize the risk of breached contract.

12. **A Gospel concert hosted by the LOC, unrelated to the CARIFTA Games.** A thorough examination of the allocated budget revealed an absence of any allocation for a Gospel concert, which bore no relevance to the CARIFTA Games. An estimated sum of \$140,000.00 was utilized for hotel

arrangements, transportation, band, and production. At the end of the concert, the Local Organizing Committee (LOC) recognized a mere profit of \$4,000.00, signifying a substantial loss amounting to \$136,000.00 or 35% of the total expenditure.

LOC should adhere to budget constraints and, if necessary, arrange a meeting to make necessary adjustments to budget line items when reallocating funds. Any revised budget should obtain the approval of management before additional funds are expended. The release of funds should only occur after receiving approval from the Permanent Secretary.

13. Merchandise Purchases/Sales. The Local Organizing Committee (LOC) has procured merchandise valued at \$104,698.50 for the 50th CARIFTA Games, which has resulted in a net loss of \$50,640.77 after accounting for sales. Following the conclusion of sales, there is still \$17,000.00 worth of merchandise retained in inventory.

The LOC is advised to adjust future merchandise procurement estimates in light of the net loss incurred from this event. Budgetary allocation for merchandise sales should mitigate potential loses for similar events.

14. Net Income (Deficit). Based on the financial statements of the CARIFTA Games Company Limited, an unfavorable Net Income (Deficit) of (\$829,821.37) was reported. Upon analyzing these statements, it is evident that total Income amounted to \$6,615,138.98. To ascertain the Net Income (Deficit), the total Cost of Goods Sold, (\$104,698.50), the Total Expense (\$4,379,014.37) and Total Operational Expense (\$2,961,247.48) was deducted which resulted in a total of (\$7,444,960.35). The Net Income (Deficit) (\$829,821.37) is calculated by subtracting (\$6,615,138.98 - \$7,444,960.35).

Figure 1 Details of Net Income (Deficit)

Carifta Games Company Net Income (Deficit)		
Total Income		\$6,615,138.98
Cost of Goods Sold	(\$104,698.50)	
Total Expense	-4,379,014.37	
Operational Expense	-2,961,247.48	
	(\$7,444,960.35)	
Net Income (Deficit)		(\$829,821.37)

LOC is strongly advised to ensure that its total expenses do not surpass its total income. It is imperative for the organization to have established effective control measures in place to ensure that any budget deficits remain within predetermined limits.

16. Human Resources Manager/Personnel Assistant. It was the responsibility of the Human Resources Manager to effectively coordinate and direct administrative functions. Personnel were hired without the manager’s involvement, leading to inadequate acquisition of necessary documentation and consequent delays in processing applications. The Human Resources Manager was the CEO’s personal assistant. Oftentimes, Human Resources duties were delegated to personnel with less expertise and subsequently adversely affecting LOC’s Human Resources function.

Dual duties and responsibilities ought to be evaluated to guarantee the appropriate segregation of duties, sufficient allocation of human resources, and optimal alignment with the strategic objectives of the organization. It is imperative to conduct regular reviews of these duties if deemed necessary.

17. Severance Pay Eligibility. Employees working under the CARIFTA Local Organizing Committee were verbally notified that the Ministry of Youth Sports and Culture (MOYS&C) would be responsible for compensating them with severance and accrued vacation, irrespective of their employment status. A considerable number of workers were engaged by

the Ministry for a period exceeding six months in preparation for the Games.

Employees remunerated weekly were furnished with contract documents, indicating both the commencement and cessation dates of their employment. Conversely, contracts issued to managers solely specified a start date, with no discernible end date, while also incorporating a clause upon the provision of a two-week notice. Due to the aforementioned miscommunication, the involvement of the Attorney General Office became necessary.

The LOC ought to perform thorough contract vetting procedures for all individuals employed within the organization.

18. **Venue Senior Director.** The organizational chart for the CARIFTA Games 2023 clearly indicates the existence of the position of a Venue Senior Director. Additionally, payrolls documents provide evidence that a Venue Assistant was seconded for a two-month period spanning September and October 2022, and was compensated with a total of \$1,875.00.

Additionally, through interviews, it was revealed that it was necessary for a Venue Director to have been hired from onset of the CARIFTA Games preparations until its conclusion. The CEO along with the Operations Manager, assumed the responsibilities of the Venue Director, despite being preoccupied with numerous other tasks. This resulted in a significant demand on their time and the possible hindrance of meeting deadlines and target dates.

To maintain the integrity of operations and ensure transparency, it is imperative to adhere to appropriate segregation of duties to prevent potential misconduct or conflicts of interest.

Dual duties and responsibilities ought to be evaluated to guarantee the appropriate segregation of duties, sufficient allocation of human resources, and optimal alignment with the strategic objectives of the organization. It is imperative to conduct regular reviews of these duties if deemed necessary.

19. Fluctuations in weekly salaries. We have observed occurrences where the weekly salaries of employees exhibited fluctuations without documented authorization from Management.

Strict adherence to the approved budgetary expenditure estimates is imperative, and it is essential to seek prior approval from the Chief Financial Officer for all expenses. The recruitment of new staff members should involve a thorough interview and vetting process to assess their skills, contributions, and responsibilities within the organization, alongside agreed-upon compensation.

Background

- 1.1 The CARIFTA Local Organizing Committee, an incorporated organization under the portfolio of the Ministry of Youth, Sports and Culture organized and executed the CARIFTA Games from April 7th to April 10th, 2023. The Executive Committee was appointed jointly by North American, Central American and Caribbean Athletic Association (NACAC), the Ministry of Youth Sports and Culture and BAAA.

Executive Committee

- 1.2 The Executive Committee comprised of the following individuals:

Name	Position
Harrison Thompson	Chairman
Simon Wilson	Financial Secretary - MOF
Kelsie Johnson-Sills	Acting Director of Sports
Cora Colebrooke	Permanent Secretary - MYSC
Mike Sands	NACAC President/ World Athletics Representative
Drumeco Archer	President - BAAA
Grafton O. Ifill Jr.	Representative - MOF
Lynden Maycock	Chief Executive Officer
Maybeline Miller	Chief Executive Officer-BAAA
Pauline Davis-Thompson	Honorary Member-WA
Romell Knowles	NSA Representative

Funding

- 1.3 CARIFTA is funded, in general, by the government of the Bahamas and receives additional income from the following sources:
- Sponsorship from Corporate Bahamas.
 - NACAC Grant
 - Tickets sales
 - Vendor Concessions
 - Advertising
 - Merchandising
 - Carifta Concessions

Figure 2 Details of Government Funding September 1, 2022 through April 30, 2023

Date	Description	Amount \$
4-Nov-2022	Government Funding 1 st Payment	500,000.00
23-Nov-2022	Ministry of YS&C 2 nd Payment	500,000.00
29-Dec-2022	Ministry of Finance	908,613.68
15-Feb-2023	Ministry of YS&C	1,000,000.00
20-Mar-2023	Ministry of YS&C	1,500,000.00
12-Apr-2023	Ministry of YS&C	870,098.00
	Total	\$ 5,278,711.68

Account Balance

- 1.4 The balance reflected in the account as of April 30, 2023 amounted to a total of \$342,075.54.

Subsequent Events

- 1.5 We have identified that the Local Organizing Committee (LOC) acquired additional funding subsequent to the conclusion of the balance sheet reporting period on April 30, 2023, amounting to \$1,151,626.00. Consequently, a total sum of \$6,430,337.68 was received from the Government by the end of August 31, 2023. Funds from the subsequent receipt was used to pay LOC's outstanding bills to vendors and outstanding salary payments.

Value in-Kind amounts from vendors

- 2.1 We have determined that the LOC received an aggregate sum of \$474,218.70 in non-monetary form, specifically through goods and/or services, within the examined time frame, in the form of value in-kind.
- 2.2 In addition, the LOC has not effectively maintained invoices for three companies, resulting in a total amount of \$76,300.00. There is a lack of supporting documentation of unaccounted value in-kind goods and services, committed to the LOC.

Events Organization Agreement (EOA)

- 3.1 A copy of the EOA was never furnished for our review. Pertinent information regarding the deliverable specifications, essential terms, assigned responsibilities, payment figures, preferred methods, and anticipated time frames remained undisclosed.

Contracts

Company C

- 4.1 On November 30, 2022, an agreement between the CARIFTA Games Company LTD and Company C for an initial cash injection of \$50,000.00, was executed on December 2, 2022. In this agreement, Company C was granted a license to produce and supply the necessary material for the event presentation and to distribute it locally, regionally, and internationally.

Technical support for the transmissions would be undertaken by Company F. Company G shall possess non-exclusive national television rights for the

Bahamas territory, specifically for the events televised to subscribers not associated with Companies C and G.

- 4.2 As per the Agreement Appendix, company C is obligated to provide the CARIFTA 2023, broadcast exclusively to company F for the benefit of 'free-to-air consumers at no cost'.

- 4.3 Further, Clause 13.1 of the Agreement, explicitly stated that the LOC hereby asserts and guarantees its complete entitlement to bestow the Company with the rights specified herein, as well as fulfill all corresponding obligations. It affirms that no agreement has been made in conflict with the aforementioned provision.
- 4.4 As a consequence of engaging in negotiations between LOC and Company G, without duly acknowledging the previously established clauses with Company C, it has been determined that the LOC has violated the Agreement. This noncompliance has led to a \$25,000.00 cash penalty.

Company D

- 4.5 The Agreement was executed on the 23rd January, 2023, between the LOC and Company D. Pursuant to the terms outline in Appendix B, sections 1, 1.1,1.2 and 1.3, Company D is bound to submit cash amounts totaling \$300,000.00. 50% of the \$300,000.00 is to be paid upon the public announcement of the sponsorship. The remaining fifty percent (50%), must be settled by Company D and remitted to LOC no later than thirty (30) days prior to commencement. This timeframe was not adhered to.
- 4.6 According to the Profit and Loss Report for the audit period, Company D made a payment of \$969.65 on November 23, 2022 and another \$272,727.27 on January 27, 2023, for a sum of \$273,696.92. An outstanding balance of \$30,000.00 were attributed to value in-kind.

The LOC has not received any formal communication about how Company D plans to pay the balance. Despite efforts to collect the outstanding amount, it was still unpaid at the end of the audit.

Company E

- 4.7 We have been informed that the primary proprietor of Company E was extended a contract akin to those granted to LOC members for the World Relays, whereby a fixed rate is established. Nonetheless, the owner has chosen to decline the collection of funds in their role as an Executive Officer.
- 4.8 Company E acted as a sponsor for the CARIFTA Games, and the in-Kind payments made to the LOC were utilized as a component of their sponsorship for the games. Furthermore, the main proprietor has received

reimbursements amounting to \$522,610.96 throughout the duration of the audit.

- 4.9 The expenses and reimbursements incurred or received by the primary proprietor were inconsistent with the guidelines stipulated in the CARIFTA Games 2023 Expenditure and Procurement Control Management Manual. As a consequence, the entire procurement procedure was bypassed, disregarding relevant sections, namely Purchase Committee f 2.4 (a, b, c, d) and Process Flow over Procurement 2.5 (e).
- 4.10 The principal proprietor utilized personal funds to execute transactions amounting to \$522,610.96. However, an outstanding balance of \$19,524.00 is currently owed to the proprietor.
- 4.11 The utilization of personal funds to execute transactions violates Section: (25) (a-f) of the Public Finance Management Act 2021. This particular section mandates that any expenses proposed by a public entity, which are not covered or adequately provided for in the appropriations approved by the Parliament in the annual budget must be finance through the following means:
- (a) Funded through the virements authorized under this Act;
 - (b) Funded through an allocation from the Budget Reserve Appropriation consistent with the provisions under section 22 Procedures set out in this Act;
 - (C) Funded through a reallocation authorized under this Act;
 - (d) Funded through an allocation from the Contingencies Fund consistent with the provisions under section 23;
 - (e) Deferred until future financial years if this can be done without substantially harming the public interest; or
 - (f) Presented to the House of Assembly in supplementary estimates and a Supplementary Appropriation Bill as required by Article 130 of the Constitution where funding is not possible pursuant to paragraphs (a) to (c).

Gospel Concert

- 5.1 The hosting of a Gospel concert at a hotel ball room incurred an approximate expenditure of \$140,000.00. Notably, the LOC failed to generate any profit and only gained \$4,000.00, resulting in a significant loss of \$136,000.00.

After reviewing the budget, it was noticed that there was no allocation for a Gospel concert. However, a draft that was dated October, 2022 was observed.

Merchandise Purchases/Sales

- 6.1 The Local Organizing Committee (LOC) has procured merchandise amounting to \$104,698.50 for the 50th CARIFTA Games, which incurred a net loss of \$50,640.77 after considering the sales and the value of leftover inventory retained by LOC worth \$17,000.00.

Expense Exceptions

- 7.1 For the purpose of conducting our Expense testing, we examined a total of 120 expense values that exceeded a specific threshold. This examination was carried out taking into consideration the characteristics and regularity of such expenses.

Equipment Rental

- 7.2 Fifteen (15) expense records underwent testing, and out of the sample, one (1) selection was deemed appropriate despite having an incorrect amount. Additionally, one (1) invoice was received a considerable thirty-three (33) days prior to the signing of the expense requisition form. Moreover, two selections lacked the necessary approval from the Chief Financial (CFO) in the form of signature. Lastly, three selections presented check vouchers that lacked proper authorization from either the CFO or Management.

Accommodation

- 7.3 Testing was conducted on a total of sixteen (16) selections for accommodation expenses, out of which only (2) expense reports did not possess approval from

the Chief Financial Officer(CFO), and three (3) check payment vouchers were found to lack appropriate approval from either the CFO or Management.

Equipment Supplies

- 7.4 Out of the total of nine (9) equipment supplies expense selections that were tested, four (4) expense reports did not obtain approval from the CFO. Additionally, one check payment voucher was lacking proper endorsement from the CFO and/or Management.

Marketing

- 7.5 Seventeen (17) Marketing expense selections were tested, three (3) selections failed to obtain approval from the Chief Financial Officer (CFO). Additionally, two (2) check payment vouchers lacked the necessary approval from either the CFO or Management.

Facility Upgrade

- 7.6 Out of the twenty-one (21) facility upgrade expense selections that were tested, six (6) were found to lack CFO approval on the expense report form, and one (1) selection was identified as having no supporting documentation available.

Merchandise

- 7.7 Five (5) merchandise expense selections were tested and four (4) were found to have lacked the approval of the Chief Financial Officer (CFO).

Expenses over \$10,000.00

- 7.8 A total of thirty-seven (37) expenditure selections, amounting to \$10,000.00 or more, were tested, and five (5) expense forms did not have the necessary approval from the CFO, and three (3) check payment vouchers lacked proper approval either from the CFO or management.

There was also one instance where an expense request form was submitted a week after the event; funds had already been expended. One (1) selection did not have a corresponding check payment voucher. Two (2) expense reports did not received approval from the CEO. One (1) selection was found to be missing an expense form, and in three (3) cases, invoices were submitted for payment more than 75 days prior to the approval of their corresponding expense request forms.

Capital Improvements

- 8.1 The LOC has made a substantial contribution to the National Stadium through the successful execution of the Legend Walk project. Our audit findings indicate that an amount of \$248,000.00 was expensed not designated for this specific purpose. **(Figure 3)**
- 8.2 In addition, the LOC incurred a total expenditure of \$2,856,423.00 for Capital Works, with a budget allocation of \$1,121,884.50 for the respective line item. This resulted in an over expenditure amounting to \$1,734,538.45, which is 255.0% of the allocated budget. **(Figure 3)**

Figure 3 Details of Capital Works Expenses September 1, 2022 through April 30, 2023

Particulars	Budget \$	Actual Spent \$	Over Budget \$	% of Budget
Stadium Manpower	388,075.00	953,572.10	565,497.10	246.0%
Stadium Preparation	50,000.00	714,104.70	664,104.70	1,429.0%
Total Capital Stadium Preparation	438,075.00	1,667,676.80	1,229,601.80	381.0%
Total Stadium Legacy Asset	131,290.00	378,568.07	247,278.07	289.0%
Total Stadium Upgrade/Technology	552,519.50	562,178.08	9,658.58	102.0%
Total Stadium Upgrade	\$1,121,884.50	\$2,608,422.95	\$1,486,538.45	233.0%
Upgrade Launching/Legend walk	0.00	248,000.00	248,000.00	100.0%
Grand Total Capital Works	\$1,121,884.50	\$2,856,422.95	\$1,734,538.45	255.0%

Weekly Salaries Variations

- 9.1 We have observed discrepancies in the weekly employee compensations, with no relevant supporting documentation explaining the noted discrepancies from Management being taken into account. **(Figure 4)**

Figure 4 *Details of Weekly Salaries Variations*

Employee	Date	Amount (\$)
Employee A	7-Dec-22	500.00
Employee A	12-Dec-22	800.00
Employee A	27-Apr-23	968.75
Employee B	15-Dec-23	595.00
Employee B	13-Jan-23	440.00
Employee B	26-Jan-23	820.00
Employee C	Nov-25-23	1,070.00
Employee C	Feb-10-23	1,234.00
Employee C	Apr-5-23	1,430.56

- 9.2 According to the 2023 Carifta Games Limited Profit and Loss Budget Vs Actual report, the total payroll expenses for Carifta Games Company Limited were \$880,686.92 as of April 2023 and \$962,107.73 as of August 2023.
- 9.3 The Carifta Games Company Limited accrued a payroll expense of \$81,420.80 for the period between May, 2023 and August 2023. The allocated budget for payroll expenses in August 2023 amounted to \$1,055,587.50. The company managed to stay within the designated budget for its payroll expenditures.

Appendices

Appendix 1 Statement of Profit & Loss Budget vs. Actual September 2022 through April 2023

<i>Ordinary Income /Expenses</i>	<i>Sep 22 - April 23</i>	<i>Budget</i>	<i>\$ Over Budget</i>	<i>% of Budget</i>
<i>Income:</i>				
4000 – Income	1,336,427.30	2,699,999.34	-1,363,572.04	49.5%
4200 –Govt. Funding	5,278,711.68	2,000,000.00	3,278,711.68	263.9%
Total Income	6,615,138.98	4,699,999.34	1,915,139.64	140.7%
Cost of Goods Sold				
5001 – Magazine	3,775.00			
5002 – Carifta Merchandise	100,923.50			
Total Cost of Goods Sold	104,698.50			
Gross Profit	6,510,440.48	4,699,999.34	1,810,441.14	138.5%
Total Expense(6000 – 6998)	4,379,014.37	3,620,175.10	758,839.27	121.0%
Net Ordinary Income	2,131,426.11	1,079,824.24	1,051,601.87	197.4%
Other Income/Expense				
Other Income				
8000 – Value in Kind Income	464,218.70	300,000.00	164,218.70	154.7%
Total Other Income	464,218.70	300,000.00	164,218.70	154.7%
Other Expense				
7002 – Walk of Fame	352,824.53		352,824.53	
7006 – Stadium Legacy – Asset	378,568.07	131,290.00	247,278.07	288.3%
7309 – Value in Kind Expenses	464,218.70	300,000.00	164,218.70	154.7%
7300 – Technology Comp. NSA	562,178.08	552,519.50	9,658.58	101.7%
Stadium Preparations	714,104.70	50,000.00	664,104.70	1,428.2%
7000 - Stadium Man Power	953,572.10	388,075.00	565,497.10	245.7%
Total Other Expenses	3,425,466.18	1,421,884.50	2,003,581.68	240.9%
Net Other Income	-2,961,247.48	-1,121,884.50	-1,839,362.98	264.0%
Net Income	-829,821.37	-42,060.26	-787,761.11	1,972.9%

Appendix 2 *Salary paid to Staff by the Carifta Games Company Ltd. for the period September 2022 to April 2023*



