Jamaica Accountability Meter Portal Limited

INTOSAI Webinar on SAI-civil society cooperation and citizen engagement. Contact us jam@jampja.org

June 17, 2020
Catalyzing Collective Action

November 26-28, 2014 Street stand to demand of the Prime Minister, the resignation of the Board of Jamaica’s premier Housing Agency for the questionable acquisition of a tourist attraction.

Part Four — Purchase of loan related to Orange Grove Property

Following by an AuGD Report

Purchase of loan related to Orange Grove Property

4.1 In December 2012, the NHT Board approved the purchase of the loan of $180 million from a Merchant Bank, in exchange for the assets owned by Orange Valley Holdings Limited (OVHL) valued at $331.16 million. NHT and the Mortgagor signed the sales agreement on March 15, 2013 and finalised the transactions on May 27, 2013. During the course of the Board’s deliberation in December 2012, the Chairman advised that several options could be contemplated for the use of the property. However, there was no evidence that the Board decided on the operational activities that would be undertaken at the property.

4.2 We noted that the Managing Director’s submission to the Board, dated November 28, 2012 states that “an urgency was created because of a provisional order by the Court to sell the home of the guarantor for the loan and the final order was expected to be handed down on November 20, 2012 if Orange Valley Holdings Limited failed to settle the debt.” In January 2013, NHT conducted a site assessment of the property which indicated “that the property does not appear to facilitate the NHT’s mandate for affordable housing solutions and is more suited for recreational/heritage type facility.” In February 2013, NHT commissioned a valuation appraisal, which valued the property at $280 million; a difference of $31.16 million (or 10 per cent) when compared with the valuation of $311.16 million conducted in September 2011. Further, NHT incurred additional cost of $28 million for salary and other administration expenses related to the Orange Grove property.

1. 2016 USAID funded Citizens Budget & Guide conducted by the Institute of Law & Economics – Consultant Jeanette Calder

2. 2016 European Union funded – Assessment of Jamaica’s SAI Audit Reports and responsiveness of the auditees - Consultant Jeanette Calder

Contact us jamp@jampja.org
Auditor General's Scrapbook

Auditor-General's report tabled in House; financial irregularities, losses shown

FROM THE AUDITOR GENERAL'S REPORT (12)
NO ACCOUNTS EVER FROM REGIONAL HOSPITAL BOARDS

Grim conditions at Bellevue
Neglect, demoralization, petty corruption cited

Private-sector groups sanctions for JDIP br

Ministries guilty of poor financial control

Auditor-General dissatisfied with national accounts
SERIOUS DEFICIT IN the submission of Appropriation Accounts and annual reports in the maintenance of accounting records.

Canadian Farm Work Programme audit
Auditor Gen. discovers unsatisfactory features

Bonuses Breaches And Gracious Gratuities Auditor General Raps Port Authority

Auditor General's report reveals
Ministries guilty of poor financial control
Money for Consolidated Fund ‘detoured’ to buy cars

Auditor General's Report Confirms Grave Irregularities In Police Vehicle Maintenance

Auditor general concerned about NWA's quality assurance

Audit investigation into NWA's poor governance practices at NIF

Finance ministry frustrates AG probe regarding KCT terminal

Auditor general blasts INSPORTS

Careless NWC wasting billions

Auditor General uncovers high level of non-performing loans at JMB

Shameful! - Ministry Of Labour And Social Security Pays Out More Than $200m In Unapproved Travel Allowances
JAMP Objectives

Project Goal
To increase the quantity, quality and distribution of public goods and services, through the reduction of waste, loss, fraud and corruption in the stewardship of funds and assets.

Outcomes

Strengthen
Accountability mechanisms of Government

Educate
Public on PFM & the mechanics of our accountability framework

Stimulate
Public engagement in Jamaica’s governance in particular the Parliamentary process.

Contact us jmp@jampja.org
JAMP Buy-In

Stakeholder 1
The Auditor General of Jamaica, the Public Accounts Committee Chair and the Major Organised Anti-Corruption Agency

Stakeholder 2
Access to Information Unit operating out of the Office of the Prime Minister

Stakeholder 3
EUROPEAN UNION, Private Sector Organisation of Jamaica and the Inter-American Development Bank

Stakeholder 4
Press Association of Jamaica and the Department of Government at the University of the West Indies

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MONITORING TOOLS

ACCOUNT-A-METER

The Account A Meter is an accountability tool that highlights and tracks breaches of Government policy and regulations.
Found 4 Results.

1

[2015 - 2018] NHT – $180 Million Expended for Entertainment Facility Unsuitable for Housing Development

Breach in Resource Management | No Comments

1 The audit sought to determine the level of due diligence undertaken by NHT, prior to investments and land acquisitions. In December 2012, the NHT Board approved the purchase of...

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Breach in Governance | No Comments

Decision No. 17 of the Cabinet approved an Accountability Framework that required Permanent Secretaries to obtain copies of Board Minutes from all public bodies, under their portfolio. The Auditor General...

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[2015 - Ongoing] NHT – Spent $1.07 Billion for Incorrect Property Acquired from NHDC (Now HAJ)

Breach in Resource Management | No Comments

The Auditor General...

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Auditor General’s Findings

1. The audit sought to determine the level of due diligence undertaken by NHT, prior to investments and land acquisitions. In December 2012, the NHT Board approved the purchase of a loan of $180 million from a Merchant Bank in exchange for the Outameni Experience property owned by Orange Valley Holdings Ltd. A January 2013 technical report to the Board indicated that “the property does not appear to facilitate the NHT’s mandate for affordable housing solutions and is more suited for recreational/heritage type facility.” The sale was finalised on May 27, 2013 and the Auditor General found no evidence to support that the Board’s decision was based on their being clear on how the property would be used. It was therefore not clear how the NHT could explain the investment.

2. Since the date of the transfer of the title, NHT assumed full responsibility for the ongoing operational costs which at the time of the report totalled $28,090,688.00. The NHT had not received approval from the Ministry of Finance prior to spending $13,262,091 to hire a new Park Manager and six former Outameni employees, as is required.
RECOMMENDATION

1. In keeping with its responsibility under Section 6 of the Public Bodies Management and Accountability (PBMA) Act, the Board should take the necessary steps to enhance its due diligence process undertaken prior to investments and acquisition of land so as to maximise return on investment and ensure that all properties acquired are suitable for housing development. This due diligence should include an appraisal of all investment opportunities to determine, at a minimum, the cash flow impact and the expected rate of return on the investment.

2. The Board should also ensure that there is a robust records management system to provide evidence of the due diligence undertaken.

3. NHT’s Board should instruct management to develop an action plan for all properties that deemed unsuitable for affordable housing development.

JAMP UPDATE

1. The then Prime Minister, Portia Simpson-Miller in response to public demand (including a protest by the Emancipation Statue), changed the members of the Board who had not already resigned and retained four of the existing members.

2. The new board has established a Properties Evaluation sub-committee of the Board and issued instructions to fully examine options for the sale, lease or any viable alternative. Based on the recommendations of the sub-committee, the Board decided to divest the property. Since 2015, the Trust has spent $40.8M on salaries and allowances, $29.3M on security and invested $2.78M on advertisement costs since 2015. The property still remains in the possession and upkeep of the Trust without a buyer.
Rest of details can be found below in link "See ATI Response"

1. **Total spent up to August 31, 2019 on the Outameni property = $290.2 Million**
2. The NHT has received approval from the Ministry of Finance for the terms of engagement/payment for the staff now responsible for maintaining property and ensure value for eventual sale.

**NOTE:** Though the NHT is not yet successful in selling the property, it has been making all reasonable effort to do so. As it is the market that determines the offer and sale, JAMP considers the NHT to be in compliance for having done all that was required of the new Board.

**ATI Responses**

Ref: No: 1/09-04-19 – Application requesting access to documentation to substantiate cost incurred on the Orange Grove/Outameni property

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Start the discussion...
Reports

- Auditor General’s Department Performance Audit Report – National Housing Trust
- AG Summary of Findings (2015)

Newspaper Articles

- “Tired of being shafted by the Government” says the citizen
- Auditor General’s comments on OPM’s poor oversight of NHT Board
- Civil Society suspends their support in Partnership for Jamaica over Outameni purchase
- Former board member says NHT Board “was more or less a free-for-all”
- NHT Chairman Easton Douglas claims “I have done nothing wrong” and refuses to resign
- NHT’s failed attempts to divest the property
- Private Sector Organisation of Jamaica President calls for the removal of the NHT Board
- The Public Accounts Committee hearing with new Board Chair Dr. Carlton Davis

Videos

- Outameni campaign
- ERICA’S EDG...!
- SPECIAL REPORTS!
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View profile in MP Tracker.
Permanent Secretary: Audrey Sowell
Minister: Andrew Holness
Ministers without Portfolio: Everald Warmington and Lester Michael Henry

2015: NHT – $180 Million Expended for Entertainment Facility Unsuitable for Housing Development
2015: NHT – OPM left Ignorant of the Board’s Investment Decisions
2015: NHT – Paid $342.6M to acquire six properties deemed unsuitable for housing
2015: NHT – Spent $1.07 Billion for Incorrect Property Acquired from NHDC (Now HAJ)
Digital Advocacy - Next Steps

**Procurement Tracker**
All public contracts over USD $3,600 between 2006 to present will be converted to an interactive data visualization tool.

**Sectoral Commitment Tracker**
Tracking commitments made in all sectoral budget presentations.

**Public Board Tracker**
Developing a corporate governance checklist to create an early warning system for budding governance issues.

**Election Campaign Finance Tracker**
Tracking compliance of all electoral candidates to ensure submission of financing audits.
Thank You INTOSAI

Contact us jump@jumpja.org
www.jumpja.org

June 17, 2020
Kingston, Jamaica

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