



Report of Investigation

Conducted into the Circumstances which Led to the Award and Implementation of a Contract, in the Amount of \$46,851,105.30, to Rahim's Cleaning & Trucking Limited, by the St. Ann Municipal Corporation in Relation to its Ocho Rios Covid-19 Sanitation and Cleaning Project

**Integrity Commission
February 2021**



This Publication until tabled in Parliament shall be confidential.

Section 55 and 56 of the Integrity Commission Act states:

"(4) Anything said or information supplied or any document or thing produced by any person for the purpose or in the course of any investigation by or proceedings before the Commission under this Act, shall be absolutely privileged in the same manner as if the investigation or proceedings were proceedings in a court of law.

(5) For the purposes of the Defamation Act, any report made by the Commission under this Act and any fair and accurate comment thereon shall be deemed to be privileged.

56.—(1) Subject to section 42(3)(b), every person having an official duty under this Act, or being employed or otherwise concerned in the administration of this Act (hereinafter called a concerned person) shall regard and deal with as secret and confidential, all information, statutory declarations, government contracts, prescribed licences and all other matters relating to any matter before the Commission, except that no disclosure made by the Commission or other concerned person in the proceedings for an offence under this Act or under the Perjury Act, by virtue of section 17(2) of that Act, shall be deemed inconsistent with any duty imposed by this subsection.

(2) The obligation as to secrecy and confidentiality imposed by this section, in relation to any documents, or information obtained under this Act continues to apply to a person despite the person having ceased to have an official duty, be employed or otherwise concerned in the administration of this Act.

(3) Every concerned person who is required under subsection (1) to deal with matters specified therein as secret and confidential who at any time communicates or attempts to communicate any such information, declaration, letter and other document or thing referred to in subsection (1) disclosed to him in the execution of any of the provisions of this Act to any person—

(a) other than a person to whom he is authorized under this Act to communicate it; or

(b) otherwise than for the purpose of this Act.

commits an offence and shall be liable on summary conviction in a Parish Court to a fine not exceeding one million dollars or to a term of imprisonment not exceeding one year.

Integrity Commission

1st Floor, PIOJ Building

16 Oxford Road

P.O. BOX 540

Kingston 5

Telephone: 876-929-6460/876-929-8560/876-929-6466/Fax: 876-929-7335

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1.0 Summary of Investigation

1.1 This investigation concerns allegations of impropriety, irregularities and corruption in relation to the circumstances which led to the award and implementation of a contract, in the amount of \$46,851,105.30, by Rahim's Cleaning and Trucking Limited. The referenced contract was awarded by the St. Ann Municipal Corporation, for the implementation of the Covid-19 related Sanitation and Cleaning Project in the town of Ocho Rios.

1.2 The investigation was initiated by the DI pursuant to Sections 6(1) (a), 33(1)(a) and 47 of the Integrity Commission Act.

1.3 The investigation sought to ascertain, *inter alia*:

(a) The circumstances which led to the request made by the St. Ann Municipal Corporation, to the Tourism Enhancement Fund (TEF), for the provision of project funding to finance the Corporation's Ocho Rios COVID-19 Sanitation & Cleaning Project;

(b) The circumstances which led to the award of a contract, in the amount of \$46,851,105.30, to Rahim's Cleaning & Trucking Limited;

(c) The rationale for the selection of the locations, that were purportedly sanitized and cleaned under the referenced project;

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- (d) The process and procurement methodology, *if any*, that was utilized by the St. Ann Municipal Corporation, in the engagement of the Contractor;
- (e) Whether the project deliverables were provided in keeping with the contractual obligations of the contractor;
- (f) Whether value for money was attained in relation to the award and implementation of the contract;
- (g) Whether there was, *prima facie*, evidence of any impropriety and/or irregularities on the part of any officer(s)/official(s) at the St. Ann Municipal Corporation or the Tourism Enhancement Fund (TEF), integral to the conceptualization and implementation of the project;
- (h) Whether there was, *prima facie*, evidence of any impropriety, irregularities or acts of corruption on the part of the Contractor, Rahim's Cleaning & Trucking Limited;
- (i) Whether there was, *prima facie*, evidence of an act(s) of corruption or fraud on the part of any officer(s)/official(s) at the St. Ann Municipal Corporation, the Tourism Enhancement Fund (TEF) or by the Contractor;
- (j) The verification process, *if any*, that was utilized by the St. Ann Municipal Corporation, to determine whether the contract for the Ocho Rios Covid-19 Project was successfully implemented; and

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(k) Whether the circumstances, which led to the selection, award and implementation of the contract were in accordance with the Government of Jamaica (GoJ) Public Sector Procurement Procedures (2014), the Public Procurement Act (2015), the Integrity Commission Act (2017), the Public Bodies Management & Accountability Act (2001), the Forgery Act (1942) and/or any other applicable legislation.

1.4 The Findings of the Investigation are premised primarily upon an analysis of the statements and documentary material which were provided by the Respondents to the DI.

1.5 Summary of Key Findings

1.5.1 A contract dated March 26, 2020, was entered into between the St. Ann Municipal Corporation and Rahim's Cleaning & Trucking Limited, in the amount of \$46,851,105.30. The contract was awarded by the Corporation utilizing the Single-source procurement methodology and based on the Agreement, the Contractor agreed to the execution of works in relation to the St. Ann Municipal Corporation Ocho Rios COVID-19 Sanitation & Cleaning Project.

1.5.2 By way of correspondence dated March 18, 2020, a recommendation was made by Mr. Xavier Munroe, Deputy Chief Engineering, to Mr. Rovel Morris, Chief Executive Officer, for the solicitation of project funding from the Tourism Enhancement Fund (TEF), for the implementation of the

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sanitation and cleaning projects in sections of Brown's Town, Discovery Bay, St. Ann's Bay and Ocho Rios, was made by Mr. Xavier Munroe, Deputy Chief Engineering Officer, to Mr. Rovel Morris, Chief Executive Officer, St. Ann Municipal Corporation, through Mr. Everton Ricketts, Chief Engineering Officer, at the said Corporation.

1.5.3 On March 24, 2020, Ms. Jiselle Taylor, Senior Project Administrator, Tourism Enhancement Fund (TEF), wrote to the St. Ann Municipal Corporation and advised that a total of \$46,851,105.00, was "*approved for the application submitted for the COVID-19 Sanitation & Cleaning of Ocho Rios, St. Ann's Bay, Brown's Town and Discovery Bay...*"¹

1.5.4 The Memorandum of Understanding (MoU) between Tourism Enhancement Fund (TEF) and the St. Ann Municipal Corporation was dated March 27, 2020, and addressed to Mr. Rovel Morris, by Dr. Carey Wallace, Executive Officer, TEF. The referenced MoU states, *inter alia*, that "*The Project Manager accepts responsibility for completing the project at acceptable levels of quality, and within approved budget.*"

1.5.5 On April 30, 2020, Ms. Shanara Johnson, Accounting Clerk, Tourism Enhancement Fund (TEF), wrote to the St. Ann Municipal Corporation and advised that a total of \$46,629,346.88, was transferred on April 24, 2020, to the Corporation's account.

¹ Email dated March 24, 2020, to the St. Ann Municipal Corporation, from Ms. Jiselle Taylor, Senior Project Administrator, Tourism Enhancement Fund (TEF)

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- 1.5.6 The implementation of the St. Ann Municipal Corporation Ocho Rios COVID-19 Sanitation & Cleaning was supervised by Mr. Xavier Munroe.
- 1.5.7 The payment voucher for the compensation of the Contractor, Rahim's Cleaning and Trucking Limited, was signed by Mr. Xavier Munroe, indicating that the voucher was prepared by him.
- 1.5.8 Mr. Everton Ricketts, Chief Engineering Officer, St. Ann Municipal Corporation, advised the DI in a witness statement dated January 27, 2021, that the St. Ann Municipal Corporation Roads & Works project estimate, for the Ocho Rios Covid-19 Project, was prepared by Mr. Xavier Munroe, in the amount of \$46,851,105.30.
- 1.5.9 Based on the St. Ann Municipal Corporation Finance Committee Meeting minutes of May 21, 2020, approval was granted for the implementation of the Corporation's Ocho Rios COVID-19 Project, approximately two (2) months after the contract was signed for the implementation of the project.
- 1.5.10 Mr. Rovel Morris, Chief Executive Officer, St. Ann Municipal Corporation, advised the DI, in a witness statement dated February 16, 2021, that the Corporation's Ocho Rios Covid-19 Sanitation & Cleaning Project was ratified by the Finance Committee, on May 21, 2020.

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- 1.5.11 Mr. Rahim Walker, Director, Rahim's Cleaning & Trucking Limited, advised the DI on August 25, 2020, that he had submitted a bid to the St. Ann Municipal Corporation, for the Ocho Rios Covid-19 Project.
- 1.5.12 Mr. Rahim Walker submitted a bid to the DI, on August 28, 2020, which was captioned "Proposed Estimate for Cleaning and sanitization to Ocho Rios, St. Ann" in the amount two (2) grand totals, namely, \$46,851,105.30 and \$92,410,604.58.
- 1.5.13 The DI is in possession of four (4) witness statements, in which officers at the St. Ann Municipal Corporation indicated that they have never seen a bid from the Contractor, Rahim's Cleaning & Trucking Limited, in relation to the project.
- 1.5.14 The DI is in possession of an invoice dated April 15, 2020, in the amount of \$46,059,638.91, from Rahim's Cleaning & Trucking Limited, which Ms. Ingrid Palmer, Director of Finance/Chief Financial Officer, St. Ann Municipal Corporation, said appeared to be a copy of the invoice submitted by the Contractor. Mr. Rahim Walker also advised the DI that the referenced invoice was submitted to the St. Ann Municipal Corporation, in relation to the Ocho Rios Covid-19 Sanitation & Cleaning Project.
- 1.5.15 The St. Ann Municipal Corporation Roads and Works Estimate that was developed for the Corporation's Ocho Rios Covid-19 Sanitation & Cleaning Project, included the supply of three (3) weeks of approved

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sanitizers/disinfecting solution that were to be supplied to Municipal Police personnel along Main Street Ocho Rios.

1.5.16 The DI is in possession of seventeen (17) witness statements, which provided information and made representations that the Contractor, Rahim's Cleaning & Trucking Limited, failed to supply the St. Ann Municipal Corporation Municipal Police officers with three (3) weeks supply of approved sanitizers, in keeping with the project deliverable. The referenced sanitizers were included on the Bill of Quantities and the invoice at a cost of \$1,478,396.16.

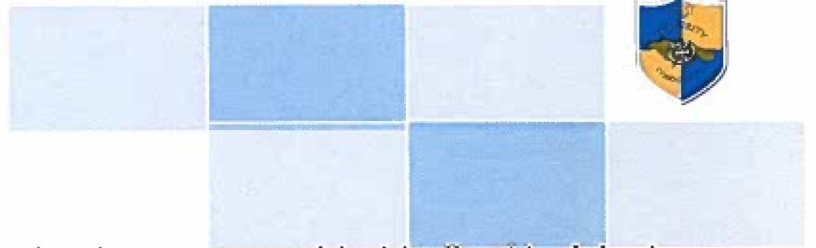
1.5.17 The St. Ann Municipal Corporation Roads and Works Estimate that was developed for the Corporation's Ocho Rios Covid-19 Sanitation & Cleaning Project, included the supply of knowledge based material (brochures, posters, etc.) that were to be distributed by Municipal Personnel in heavily trafficked areas in the town of Ocho Rios.

1.5.18 The DI is in possession of seventeen (17) witness statements, which provided information, and made representations that the Contractor, Rahim's Cleaning & Trucking Limited failed to provide the brochures and posters in keeping with the project deliverable. The referenced knowledge based material was included on the invoice at a cost of \$650,000.00.

1.5.19 Mr. Xavier Munroe and Mr. Rahim Walker were both summoned to appear before the DI, and during the course of a judicial hearing, they indicated

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that the sanitizers and brochures/posters were provided to the Municipal Police personnel.

1.5.20 The Island Village location was listed twice on the St. Ann Municipal Corporation Roads & Works project estimate document, with an estimated sum of \$7,506,566.25.

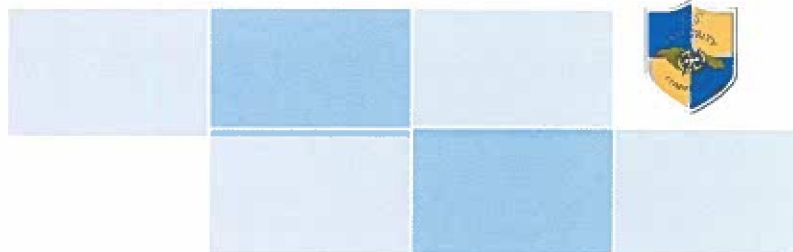
1.5.21 The Island Village location was also listed twice on the invoice that was submitted to the St. Ann Municipal Corporation, by the Contractor, Rahim's Cleaning & Trucking Limited, in the amount of \$7,506,566.25. Mr. Rahim Walker advised the DI that the said location was listed twice on the invoice, as a result of the number of times that the property was sanitized and cleaned.

1.5.22 Mr. Rovel Morris, Chief Executive Officer/Head of Entity, St. Ann Municipal Corporation gave no prior approval for the engagement of Rahim's Cleaning & Trucking Limited, as required by Section 25(2) of the Public Procurement Act, for the engagement of a Contractor via the Single-source procurement methodology.

1.5.23 Mr. Rahim Walker, Director, Rahim's Cleaning and Trucking Limited, appeared before the DI on June 22, 2020, and stated, *inter alia*, that the engagement of the company was initiated by a telephone call that he had received from the St. Ann Municipal Corporation. However, Mr. Rahim Walker was unable to recall the name and title of the person from the Corporation, with whom he spoke.

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1.5.24 Mr. Xavier Munroe appeared before the DI, on June 22, 2020, and denied contacting the Contractor, Rahim's Cleaning & Trucking Limited. In point of fact, during the hearing, Mr. Munroe advised the DI that the Contractor was randomly selected.

1.5.25 The statement provided by Mr. Munroe, in the foregoing regard, was inconsistent with the statement provided by Mr. Rohan Elliott, (employee of Rahim's Cleaning & Trucking Limited) who received the initial telephone call concerning the selection of Rahim's Cleaning & Trucking Limited and indicated that it was Mr. Munroe who had placed the call to the entity.

1.5.26 Mr. Xavier Munroe advised the DI that the recommendation for the selection of the Contractor was made by him after perusing the National Contracts Commission (NCC) listing.

1.5.27 In relation to the allegation that the Contractor, Rahim's Cleaning & Trucking Limited, was recommended to the St. Ann Municipal Corporation, by Ms. Tracy Fakhourie², for the award of the referenced contract, Ms. Tracy Fakhourie appeared before the DI and, during the course of a judicial hearing, denied making a recommendation to the St. Ann Municipal Corporation, for the engagement of Rahim's Cleaning & Trucking Limited for the project. In point of fact, Mrs. Fakhourie indicated

² Ms. Tracy Fakhourie, Operations Manager, NEPM Waste Management Limited.



that she provide a general recommendation, to the Contractor, regarding his past performance.

1.5.28 Mr. Rahim Walker advised the DI that he did not receive any written communication from the St. Ann Municipal Corporation in relation to the selection of Rahim's Cleaning & Trucking Limited, for the award implementation of the contract.

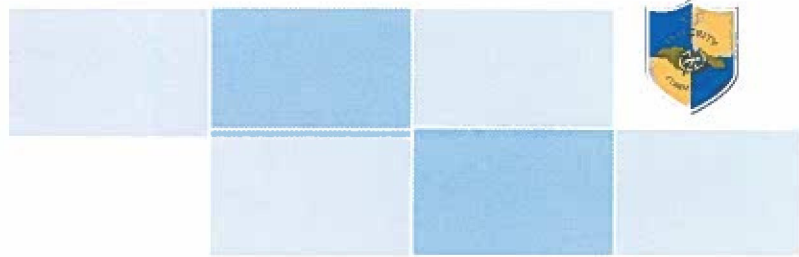
1.5.29 Notwithstanding the fact that Mr. Walker advised the DI that he was present at all the locations that were sanitized and cleaned, Mr. Walker was unable to provide specific and substantive details in relation to the execution of works during the implementation of the contract. In particular, Mr. Walker was unable to provide specific details on (a) the exact location of certain premises listed on the invoice; and (b) the specific nature of the sanitization and cleaning works that were completed.

1.5.30 Mr. Rahim Walker advised the DI that the chemicals that were used to clean and sanitize the respective locations were purchased by his grandmother, who did not provide him with a receipt. He was also unaware of the entity from which the chemicals were sourced.

1.5.31 Mr. Rahim Walker and Mr. Damion Shirley are directors of the company, Rahim's Cleaning & Trucking Limited. The company was incorporated on August 10, 2017, with a registered address of Smith Street, Cross Roads, St. Andrew.

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1.5.32 Rahim's Cleaning & Trucking Limited was paid by the St. Ann Municipal Corporation, via RTSS Transfer on June 23, 2020, the amount of \$45,138,446.13, in keeping with the terms of the contract.

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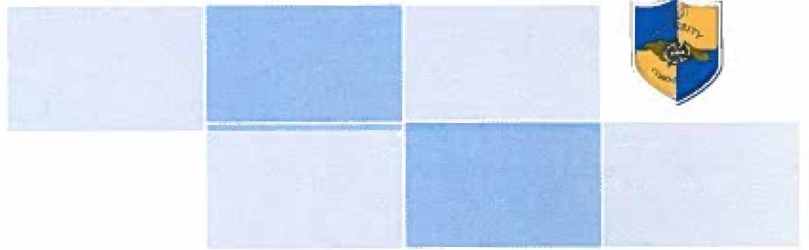
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Chapter 5 – Conclusion

- 5.1 This chapter outlines the conclusions determined by the Director of Investigation based upon the findings of this investigation.
- 5.1.1 The Director of Investigation (DI) concludes that the circumstances, which led to the selection and award of the contract to Rahim's Cleaning & Trucking Limited, breached Section 25(2) of the Public Procurement Act. This conclusion was premised on the fact that the utilization of the Single-source procurement methodology¹¹¹, given the contract value, required prior approval from the Head of Entity and no such approval was granted by the Chief Executive Officer at the St. Ann Municipal Corporation at the time of the contract award.
- 5.1.2 Based on the manner in which the contract for the Ocho Rios Covid-19 Project was awarded and implemented, the DI concludes that there is evidence to suggest that value for money was not attained. This conclusion is primarily predicated on the premise of the justification provided by Mr. Munroe, who indicated that the locations were selected on the basis of where 'people gather' and the fact that at least three (3) of the premises were closed to the public prior to the execution of the project and the failure of the Contractor to fully perform the contract based on the agreed deliverables of the Contract.

¹¹¹ Formerly referred to as the Direct Contracting Methodology.
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Additionally and importantly, the inability on the part of the St. Ann Municipal Corporation, and the Contractor, to clearly identify the manner in which the measurements and units were determined also impaired the determination of value for money.

5.1.3 Based on the evidential materials that were examined and the statements made by witnesses, the DI concludes that the procurement process, which was undertaken to engage the Contractor, was irregular and lacks accountability and integrity. The DI forms the foregoing conclusion on the basis of the absence of formal procurement documentation and record keeping by the St. Ann Municipal Corporation. For instance, the DI has seen no written communication (Invitation to Bid or Invitation to Submit a Quotation) inviting the Contractor to submit a bid/quotation for the procurement opportunity, which led to the implementation of the project. There was also an absence of records documenting the officers of the St. Ann Municipal Corporation, who were involved in the referenced process.

5.1.4 The DI is of the view that the process that was utilized to select and notify the Contractor of the award of contract was irregular and lacked transparency. This conclusion is premised on (a) the lack of documentation indicating the process through which the Contractor was selected, notified and awarded the contract and (b) the inability of the St. Ann Municipal Corporation to adequately account for the

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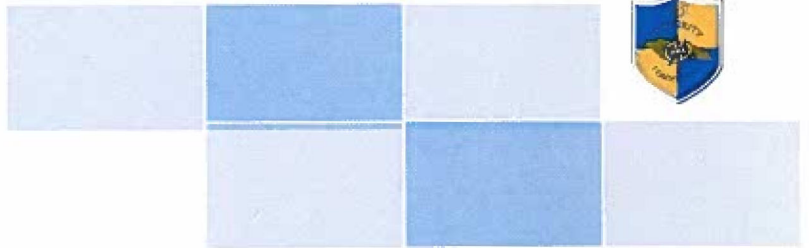
means by which the units, measurements and estimates were arrived at in the preparation of the estimates for the project.

- 5.1.5 The DI is also of the view that the manner in which the contract was awarded and implemented has the potential to discourage public confidence in the public procurement process.
- 5.1.6 The DI accepts the statements provided by the witnesses that the sanitizers and the brochures were not provided to the St. Ann Municipal Corporation, by the Contractor, as indicated by the Bill of Quantities for the referenced contract.
- 5.1.7 The DI concludes that there is an apparent discrepancy between the statements that were made by Mr. Rahim Walker and Mr. Xavier Munroe, in relation to the duration for the implementation of the contract. For instance, Mr. Walker advised the DI that the project was implemented over a **"two and a half weeks period"**. On the other hand, Mr. Munroe who indicated that he physically supervised the project stated that it was implemented over **"a one week period"**.

On the contrary, and based upon certain statements provided to the DI and the observations made during the course of the investigation, there is, *prima facie*, evidence to suggest that the project was implemented on the weekend subsequent to the signing of the contract on March 26, 2020.

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5.1.8 The DI concludes that the representations made by Mr. Rahim Walker, during the course of the judicial hearings were in some instances misleading. In this regard, reference is particularly made to the representations made by Mr. Walker concerning: (a) that he had submitted a bid to the St. Ann Municipal Corporation regarding the referenced sanitation project; b) that the premises of Ocean Village, as well as, other locations were cleaned at least three (3) times (c); and that he had provided the approved sanitizers and brochures to the St. Ann Municipal Corporation and the Municipal Personnel. The referenced statements are determined, by the DI, to be inconsistent with the evidential material garnered with respect to the period of project implementation and the works executed by the Contractor.

Having regard to the foregoing, the DI is of the view that the referenced statements were made contrary to Section 48(3) of the Integrity Commission Act in relation to the provisions of Section 11(e) of the Commissions of Enquiry Act.

5.1.9 The DI concludes that the Municipal Corporation, through its Roads and Works Department, failed to demonstrate diligence in the preparation of the Bill of Quantities and the general conceptualization of the project. Specifically, the description of works noted in relation to the White River location indicated that gates, hand rails, door handles and rail guards were sanitized. The findings of this investigation

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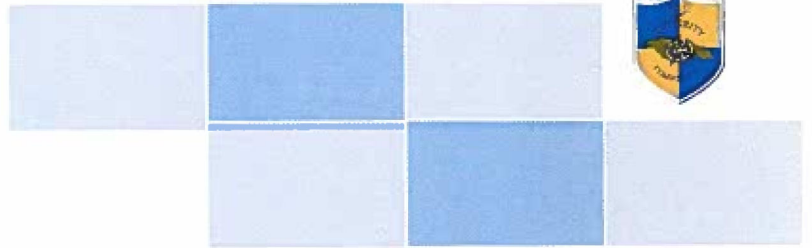


revealed no such existence of any gates, hand rails, door handles and rail guards at the White River.

Further, the disclosure which was made by Mr. Everton Ricketts, Chief Engineering Officer, St. Ann Municipal Corporation, that he signed on the 'strength' of Mr. Xavier Munroe in relation to the works that were executed, is also noted with concern as it relates to the works verification process at the Corporation. The DI is also of the view that Mr. Ricketts, by virtue of his supervisory role in the Roads & Works Department, at the Corporation, should have ensured due care and accountability in the implementation of the project, especially given that the project was conceptualized, supervised and declared successfully completed by Mr. Munroe, whom he directly supervises.

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Chapter 6 – Recommendations

6.1 This chapter outlines the recommendations and corruption prevention initiatives identified by the Director of Investigation based upon the findings and conclusions of this investigation.

Recommendations to the Director of Corruption Prosecution

6.1.1 Having regard to the provisions of Section 54(3)(b) of the Integrity Commission Act (2017), the DI hereby refers a copy of this Investigation Report to the Director of Corruption Prosecution (DCP) for such actions as the Director may deem to be appropriate.

6.1.2 The DI refers this Report to the DCP for her consideration as to whether the Contractor committed the offence of fraud, having regard to the submission of his Invoice for work purportedly done and for which the DI, based on evidence, could not confirm.

6.1.3 The DI refers this Report to the DCP for her consideration as to whether the Contractor and Mr. Xavier Munroe committed the offence of obtaining money by false pretences contrary to the Larceny Act, having regard to the payment that was made to the Contractor for works which the DI could not confirm were executed.

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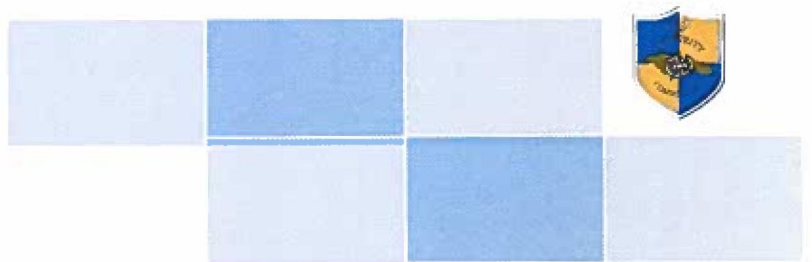
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- 6.1.4 The DI refers this Report to the DCP for her consideration as to whether the Contractor and Mr. Xavier Munroe conspired together and/or with other persons to defraud the St. Ann Municipal Corporation in relation to works allegedly executed as reflected on the Contractor's Invoice and for which Mr. Munroe confirmed was satisfactorily done, and payment made. This recommendation is also made in light of the, *prima facie*, evidence that the approved sanitizers and knowledge based brochures in the amount of \$2,128,396.16.
- 6.1.5 The DI refers this Report to the DCP for her consideration as to whether Mr. Xavier Munroe committed an act of corruption contrary to Section 14(1)(b) of the Corruption Prevention Act when he, in the performance of his functions, failed to act with proper diligence to verify works for the referenced project, for the purpose of the Contractor and/or himself obtaining an illicit benefit.
- 6.1.6 The DI refers this Report to the DCP for her consideration as to whether Mr. Xavier Munroe and Mr. Rahim Walker committed perjury during the course of the judicial hearings in relation to their statements regarding the provision and distribution of approved sanitizers and brochures/posters.

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Anti-Corruption Recommendations and Initiatives

- 6.1.7 The DI recommends that the St. Ann Municipal Corporation urgently establish a Specialist Procurement Unit in accordance with the Public Procurement Act and its Regulations.
- 6.1.8 The DI recommends that the St. Ann Municipal Corporation implements an effective and efficient record keeping and/or filing system that will aid in maintaining proper financial and procurement documentation in accordance with Section A8.22 of Volume 2 of the GoJ Public Procurement Guidelines & Procedures (2014) and Section 47 of the Public Procurement Act (2015). This recommendation, if effectively implemented, would also facilitate greater levels of transparency and accountability in the administration and management of entrusted public funds.

For emphasis, Section A8.22 of Volume 2 of the GoJ Public Procurement Guidelines & Procedures (2014) states that "*procurement record keeping, regardless of the method of procurement or the source of funding, ... transparent [procurement record keeping] procedures be established, so that the entire procurement process may be traced from beginning to end. This can be achieved through proper record keeping. Without prejudice to the method of storage, and in accordance with the Financial Administration and Audit Act,*

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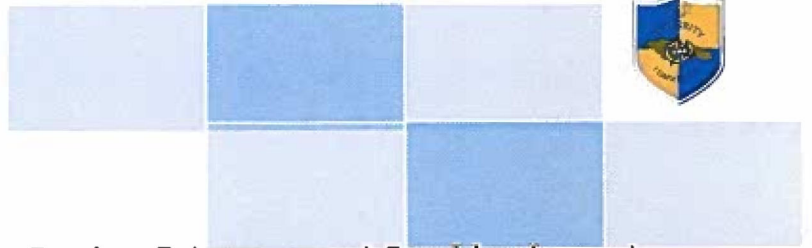
the Procuring Entity shall maintain records of each contract award for a minimum period of seven (7) years...".¹¹²

- 6.1.9 It is recommended that the Accounting and Accountable Officers of the St. Ann Municipal Corporation pay keen attention to, and ensure compliance with the provisions of Section 6A of the Public Bodies Management & Accountability Act (2001, as well as, Sections 5 and 25 of the Public Procurement Act (2015) and its attendant Regulations (2018).

Section 6(A) of the Public Bodies Management & Accountability Act states that *"Every public body shall adhere to the Government's procurement rules and guidelines made under any enactment."*

- 6.1.10 The DI recommends that the St. Ann Municipal Corporation establish oversight mechanisms that will facilitate greater scrutiny of the projects and/programmes administered by the Roads and Works Department in an effort to ensure prudent financial management.

¹¹² Section A8.22 of Volume 2 of the GoJ Public Procurement Guidelines & Procedures (2014), pg. 91.



6.1.11 The DI recommends that the Tourism Enhancement Fund implements an effective and efficient system for monitoring projects which it funds, to ensure compliance with applicable GOJ procurement procedures and legislation, as well as to facilitate greater levels of transparency, accountability and value for money in the administration and management of funds.

Kevon A. Stephenson, J.P
Director of Investigation

February 2021

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