



Jamaica Customs  
Agency

# Annual Performance Report

FY2016/2017

Country Above Self

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### **Vision Statement**

A dynamic Customs Administration, adaptive to environmental changes, delivering services and trade facilitation for national development and the protection of our borders and society.

### **Mission Statement**

As the guardian of Jamaica's trade, we are committed to facilitating trade, protecting our borders, optimizing revenue collection, delivering excellent customer service and developing and maintaining a team of dedicated, professional and competent staff.








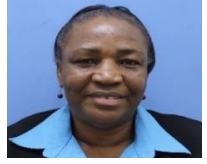







### **Core Values**

The core values define the principles within which the Agency operates to serve its clients and stakeholders. The principles are:

<b>Professionalism</b>	We are committed to applying the Customs law consistently, responsibly and with credibility using the skills and knowledge in administering our duties.
<b>Integrity</b>	We are honest and trustworthy in everything we do and act with courage in pursuit of the best possible outcomes for the community and the Customs Agency.
<b>Transparency</b>	We will consistently display openness and willingness to accept public enquiry in the delivery of Customs service.
<b>Commitment</b>	We are proud to continue Customs service to the community. We willingly accept the responsibility of helping to keep Jamaica's borders safe, secure and prosperous.
<b>Teamwork</b>	We strive at all times to build productive, long-term relationships with clients and each other. We work with energy and enthusiasm to produce the best possible outcomes for the community and are dedicated to working as one service.
<b>Health, Safety and the Environment</b>	We share a personal and professional commitment to protecting the safety and health of our employees, our clients, our customers and the people of the communities in which we operate.
<b>Client Focused</b>	We continually strive to improve the customer experience and the Jamaican business environment by reducing the costs of customers and making our service and processes more simple and straightforward.
<b>Accountability</b>	We have the courage to take responsibility for our actions and results and focus on finding solutions and achieving results in the delivery of service to our internal and external clients.

### Commissioner and Senior Management Team

	<b>Major (Ret'd) Richard Reese, Commissioner of Customs</b>
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	<b>Mrs. Carlene Henry, Deputy Chief Executive Officer, Operations</b>		<b>Mr. Alwyn Nicely, Deputy Chief Executive Officer, Border Protection</b>
	<b>Mrs. Patricka Wiggan-Chambers, Senior Director, Executive Service</b>		<b>Mrs. Selina Clarke-Graham, Senior Director, Kingston Operations</b>
	<b>Ms. Shandilayne Davis, Senior Director, International and Industry Liaison</b>		<b>Ms. Michelle Chambers, Chief Internal Auditor</b>
	<b>Mrs. Kate Bertram, Senior Director, Finance and Administration</b>		<b>Ms. Jessica Belle, Senior Director, Human Resource Management &amp; Development</b>
	<b>Mr. Andre Williams, Chief Information Officer</b>		<b>Ms. Claudette Coombs, Senior Director, Western Region</b>
	<b>Mr. Marlon Lowe, Senior Director, Central Operations</b>		<b>Ms. Hazel Edwards, Senior Director, Legal Affairs</b>
	<b>Mr. Clyde Thompson, Consultant</b>		<b>Mr. Albert Anderson, Director, Contraband Enforcement Team</b>
	<b>Mr. Kirk Benjamin Senior Director, Trade Facilitation &amp; Special</b>		

## List of Acronyms

**AEO:** Authorised Economic Operator  
**APIS:** Advanced Passenger Information System  
**ASYCUDA:** Automated System for Customs Data  
**Bn:** Billion  
**CAF:** Customs Administration Fee  
**CARICOM:** Caribbean Community and Common Market  
**CARIFORUM:** The Caribbean Forum  
**CCLE:** Caribbean Customs Law Enforcement Council  
**CEO:** Chief Executive Officer  
**CIF:** Cost Insurance and Freight  
**CRM:** Customer Relationship Management  
**CSO:** Central Sorting Office  
**C-TOC:** Counter-Terrorism and Organized Crime  
**DSIA:** Donald Sangster International Airport  
**EA:** Executive Agency  
**ECM:** Enterprise Content Management  
**EPA:** Economic Partnership Agreement  
**FAMP:** Fiscal Administration Modernization Program  
**FS:** Financial Secretary  
**FY:** Fiscal Year | Financial Year  
**GCT:** General Consumption Tax  
**GoJ:** Government of Jamaica  
**HCMES:** Human Capital Management Enterprise System  
**HR:** Human Resource  
**HRMD:** Human Resource Management and Development  
**ICT:** Information and Communication Technology  
**ICENS:** International Centre for Environmental and Nuclear Sciences  
**IMF:** International Monetary Fund  
**JCA:** Jamaica Customs Agency  
**JCD:** Jamaica Customs Department  
**JCDC:** Jamaica Cultural Development Commission  
**JMA:** Jamaica Manufacturers Association  
**JMD:** Jamaican Dollars  
**JP:** Justice of the Peace  
**Kg:** Kilogram  
**KGN:** Kingston  
**MBJ:** Montego Bay Jamaica  
**Mn:** Million  
**MOFPS:** Ministry of Finance and the Public Service  
**MP:** Member of Parliament  
**MT:** Metric Tonne  
**NCP:** National Compliance Plan  
**NMIA:** Norman Manley International Airport  
**OHS:** Occupational Health and Safety  
**PCS:** Port Community System  
**PERs:** Performance Evaluation Reports

**PICA:** Passport Immigration and Citizenship Agency

**POCA:** Proceeds of Crime Act

**PPE:** Personal Protective Equipment

**RPD:** Revenue Protection Division

**SCT:** Special Consumption Tax

**SEZ:** Special Economic Zone

**SOPs:** Standard Operating Procedures

**SPRU:** Strategic Planning and Reform Unit

**TAJ:** Tax Administration Jamaica

**US:** United States

**WCO:** World Customs Organization

## Message From The Honourable Minister of Finance & Public Service



The Jamaica Customs Agency (JCA) has ended the financial year 2016/2017 on a positive note. The Agency continues to leverage the abilities and capabilities of its Customs Management System (ASYCUDA World), through further re-engineering, improvement and simplification of its business processes contributing to a better environmental climate for doing business in Jamaica. The JCA's continued commitment to supporting the national goal of enabling a business environment is evident in its strategic thrust on the road to repealing and replacing the Customs Act, which will seek to implement modern legislations that are in line with international best practices.

The Agency continues to deliver quality service to its stakeholders, balancing the facilitation of trade and ensuring the requisite compliances are maintained. The resultant effects are noticeable in the Agency's Revenue Collection mandate, having experience growth to 38% of its contribution to the GoJ tax revenue collection for the year. Such performance and contribution are an impetus to the socioeconomic development of the country and strengthening of the Government's fiscal position.

I give high commendations to the JCA's management and team for your continued selflessness in national development.

Well done

*Hon. Audley Shaw, MP*



## Message From The Chief Executive Officer (CEO)/Commissioner Of Customs



We close another exciting year for Jamaica Customs Agency (JCA) and as we assess and report on our performance for the financial year 2016/17, on behalf of the Executive Management I wish to thank my JCA team and all stakeholders for your ardent support and contribution which resulted in the creditable outcomes recorded. Among them, is the collection of the Government's revenue, which stood at \$188 billion for the financial year (2016/17, representing 98.5% of the annual revenue target of \$191.496Bn. However, there was an increase in the year-on-year performance of \$27 billion, a 17% increase from the previous financial year's collection of \$161.276Bn.

Operationally, there were several advances, including the implementation of the Automated System for Customs Data (ASYCUDA), and the commencement of reform to the Customs Act and Regulations, which charted the course for the JCA to become more technology-driven, more customer-centred and more strategically focused for the sustainability and growth of our economy. The new paradigm in border protection worldwide requires that Customs administrations, like the JCA, utilise more intelligence-led and risk management-based approaches in their analysis, and systems such as the Advance Passenger Information System (APIS), set to be launched in short order, along with other ASYCUDA World Modules (Performance Management, Offences and Infractions, Permits and Licences) will serve to improve our capabilities in this area.

The current integration of ASYCUDA World with the Port Community System (PCS) is another significant step, which will serve to enhance the Agency's trade facilitation capabilities and ease of doing business. Additionally, the JCA has managed to strengthen the relationship with our partners, through the collaboration and streamlining of several of our business processes which have served to positively enhance the experience of the Agency's stakeholders, clients, and customers. To this end, the Customs Business Partnership Forum, and a new community-based initiative, "Customs Meets the Community" were launched.

A new community-based initiative, "Customs Meets the Community" aimed at expanding and improving the Agency's communication channels and customer service platforms was also launched. These and other strategic changes will serve to assist the JCA in becoming a flagship public sector entity. I, therefore, urge employees of the Agency to continue to work diligently and to carry out the key mandates of facilitating trade, protecting our borders and collecting revenue as the JCA continues to significantly impact Jamaica's growth and national development.

*Major (Ret'd) Richard Reese, M.B.A., J.P*

## Profile of the Jamaica Customs Agency



### ABOUT THE JCA

The Jamaica Customs Agency (JCA) formally the Jamaica Customs Department (JCD) operation historically dated back to 1869 when it was part of the Collector General's Department where its focus was the collection of revenue. In 1985 with the provisions under the Revenue Administration Act, the Customs and Excise Department came into existence. However, by October 1991 the functions were subdivided into the General Consumption Tax Department and the Jamaica Customs Department. On April 2, 2013, the Jamaica Customs Department was transitioned into the Executive Agency thereby becoming the Jamaica Customs Agency.

### ROLES AND RESPONSIBILITIES

The JCA falls under the auspice of the Ministry of Finance and the Public Service (MOFPS) and is headed by a CEO/Commissioner who reports to the Financial Secretary (FS). The Agency operates with three mandates: the equitable collection of revenue, facilitation of trade and protection of Jamaica's borders. It maintains its position as a principal contributor to the Government of Jamaica (GOJ) coffers and is responsible for collecting approximately 38% of the national tax revenues, annually.

The Agency plays a key role in the international trade supply chain through the effective and efficient processing and release of importing and exporting cargo within the established charter standard. Additionally, assessing passengers' baggage and ensuring compliance with restricted and prohibited regulations are part of its activities.

Jamaica Customs, as protectors of the nation's borders, detects and interdicts illegal, restricted and prohibited items that directly impact the security of the country. As such, directly embedded in the mandate of the Agency is the achievement of goals two and three of Jamaica's National Development Plan, Vision 2030. Jamaica Customs ensures that all import and export activities comply with Jamaica's laws and regulations. Jamaica Customs carries out its functions by:

Interdicting and seizing contraband, including narcotics and illegal drugs;

Detecting and apprehending persons engaged in fraudulent practices designed to circumvent Customs-related laws;

Protecting Jamaica's industries, labour, and intellectual property rights by enforcing Jamaica's laws intended to prevent illegal trade practices, including provisions related to quotas; the Anti-Dumping Act; and by providing Customs Records for copyrights, patents, trademarks;

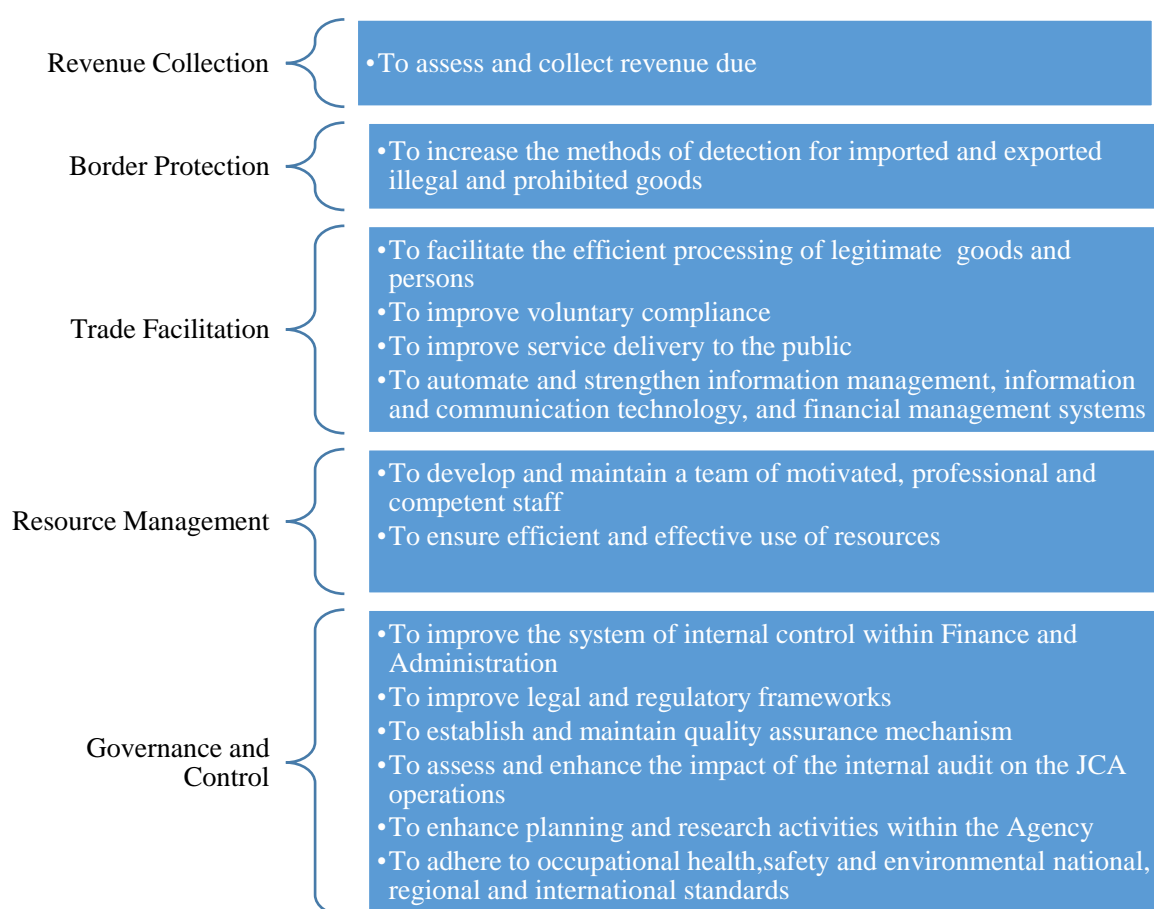
Protecting the general welfare and security of Jamaica by enforcing import and export restrictions and prohibitions, including money laundering.

## LAWS AND REGULATIONS GOVERNING THE JCA

All customs activities are governed primarily by the Customs Act and Regulations. In addition to its laws, Customs enforces over 125 other provisions of law for at least 20 agencies. A number of these statutes relate to environmental protection, national security, and consumer safety.

## JCA's STRATEGIC OBJECTIVES

The Agency's strategic objectives were formulated to provide direction for its core mandates and ensure optimal execution of the JCA's operation:



### Summary of Performance

The Jamaica Customs Agency (JCA) over the fiscal year FY16/17 pursued its core mandates in relation to revenue collection, trade facilitation, and border protection. Four revenue-related performance indicators were formulated. The Agency achieved 98.4% of its revenue target collecting \$188.500Bn. The additional duties assessed and collected amounted to \$184.312Mn, which was 9% above the target. Arrears collected, however, was below expectations and netted \$43.358Mn or 71% of the targeted amount.

*The total revenue earned by the JCA is based on a predetermined amount to cover the Agency's operational expenses. In FY16/17 the Agency collected a total amount of \$13.393Bn for Customs Administration Fee (CAF) of this amount \$7.825Bn was retained as revenue for the financial year, and the balance was transferred to the Consolidated Fund.*

The area of border protection and compliance had seven performance indicators. Five of the seven indicators were achieved or surpassed. Notably, the Agency completed 64 more post clearance audits above its target and conducted 162 more special enforcement operations as part of increasing its enforcement activities. In addition, the Agency completed the drafting of its National Compliance Plan and benefited from the review of multilateral entities, that provided recommendations for improvement.

In its quest to contribute to improvements in the international trade supply chain the JCA established eleven performance indicators for trade facilitation. For the fiscal year, the Agency achieved average processing for cargo/shipment of 1 hour and 25 minutes. Passenger processing time through the green channel recorded success of 24 seconds on average over the target of 30 seconds, however, the red channel produced slightly above target results of 3 minutes and 10 seconds on average against the target time of 3 minutes. Improving the awareness of its laws and business processes the JCA executed 12 education and assistance programs. Further, 100% of complaints received were resolved within the charter standard. Consequently, the assessment of the customer satisfaction level of the services offered yielded an average 80% satisfaction level.

### FY16/17 KEY OUTPUT PERFORMANCE

For the year in the review, there were **thirty (30) key outputs** assessed by **thirty-seven (37) performance measures/indicators** that the Agency prioritized. Despite the challenges, the Agency focused on its transformation while delivering on its mandates in relation to revenue collection, border protection, and trade facilitation albeit to satisfy stakeholders. The performance against fiscal targets is tabulated below:

Table 1:

#### Revenue Outputs:

No.	Output	Fiscal Target	Performance Comments
R1	Revenue collected	\$191.496Bn	Revenue collected amounted to \$188.500Bn which was \$2.995Bn or 1.56% below the target.
		100% Tariff Database Updated	100% Updated with subdivisions for the Free Trade Agreements in keeping with ASYCUDA World implementation project: CARICOM/Colombia, CARIFORUM/EPA and CARICOM/Cuba.
R2	Arrears collected	50% of \$122.5Mn	Arrears collected during the fiscal year amounted to 71% or \$43.358Mn which was \$17.892Mn or 29% below the annual target.
R3	Additional duties assessed	\$168.6Mn	At the end of the fiscal year, there was \$184.312Mn or 109% of the annual target of additional revenue collected.

Table 2:

#### Border Protection and Compliance Outputs:

No.	Output	Fiscal Target	Performance Comments
BPC1	Audit cases completed	60 audits	124 post clearance audit cases completed.
BPC2	Joint audit cases completed	6 joint audits with TAJ	1 joint audit case was completed. Both entities experienced resource constraints.
BPC3	Enforcement activities conducted	100% investigation of customs offences	100% or 34 investigations of customs offences.
		180 special operations conducted	342 special operations conducted.
		100% non-intrusive inspection of mail at CSO	100% or 86,693 non-intrusive inspections of mails at CSO executed.
BPC4	National Compliance Plan (NCP)	National Compliance Plan drafted and reviewed	The drafted plan was completed in June 2016. NCP is to be re-drafted based on The World Bank and International Monetary Fund (IMF) review and recommendations.
BPC5	Advanced Passenger Information System (APIS) Implementation	Implementation by March 2017	Module design deficiency delayed implementation. Customization is required to meet the Agency's requirements.

Table 3:

**Trade Facilitation Outputs:**

No.	Output	Fiscal Target	Performance Comments
TF1	Education programs developed and delivered	12	12 education and assistance programs held.
TF2	Customer satisfaction level	80%	The actual performance was 80%. A port survey reportedly was administered. <i>No data or report to validate performance/results.</i>
TF3	Resolved complaints within the established timeline	100% ≤ 72 hours	100% of the 33 complaints received were resolved within 72 hours.
TF4	Passengers processed within the established timeline	Green Channel: 30 seconds Red Channel: 3 minutes	The average processing time at both Int'l Airports was: Green Channel = 24 seconds and, Red Channel = 3 minutes and 10 seconds.
TF5	Cargo processed within the established timeline	Processing time: 45 minutes to 1 hour	<i>Average 1 hour and 25 minutes achieved. No data or report to validate performance/results.</i>
TF6	Stakeholder Awareness	12 Quality Assurance meetings	12 Quality Assurance meetings were held.
		2 Workshops: trade policy	2 trade policy training/workshops conducted for Customs staff and external stakeholders
		4 Training courses recommended	9 training courses recommended for Customs staff and external stakeholders
		100% of trade policy queries were responded to within the established timeline	100% of 229 trade policy queries were responded to within 24 hours
TF9	Customer Relationship Management (CRM) System (SysAid) Software Fully Deployed	Full deployment by December 2016	Data conversion issues were experienced that delayed full deployment. The system is forecasted to roll out in FY17/18.
TF10	Revised JCA Website Implementation	Website launch by October 2016	Content management feature design and developed. Ongoing consultation with varying business units for the provision of content. The website launch is foreseen for April 1, 2017.

Table 4:

**Resource Management Outputs:**

No.	Output	Fiscal Target	Performance Comments
RM1	Efficient operating cost ratio	2%	2.94% achieved: \$5.541Bn was expended to \$188.500Bn collected.
RM2	Trained Staff	100%	100% of the staff complement received training. Competency-based training to be provided.
RM3	Satisfactory Performance rating achieved by staff	80% of staff achieving satisfactory performance rating $\geq 75\%$	94% of staff achieved scores $\geq 75\%$ . 956 of 1,019 PERs were received as at March 2017

Table 5:

**Governance and Quality Management Outputs:**

No.	Output	Fiscal Target	Performance Comments
GC1	Audit plans completed and audit performed	100% internal audits planned and executed	100% of the 14 internal audits planned were executed. The audit plan was revised due to changes in staff complement.
GC2	Percentage of audit recommendations implemented	70%	<i>35% of the audit recommendations were implemented. No data or report to validate performance/results.</i>
GC3	Financial Statements Produced	100%	92% or 11 of 12 Non-Tax Statements due were produced within the specified timeline.
GC4	Strategic, Corporate and Operational plans published and monitored	4 Quarterly Reviews	3 quarterly performance reviews were facilitated.
		Annual and Quarterly performance reports submitted 10 working days after the end of the quarter to SPRU	FY16/17 quarterly performance reports prepared and submitted.
GC5	Occupational Health and Safety Management System	Drafting and Approval of 6 OHS plans, policies, and/or procedures	4 OHS plans, policies, and/or procedures were approved: Personal Protective Equipment (PPE) policy; Fire Prevention Plan; Emergency Preparedness and Response Plan; Accident/Incident Reporting and Investigation Procedure
GC6	Documented Policies and Procedures	100% SOPs' Manual Revised	14% revision achieved. No data or report to validate performance/results.
GC7	Customs Legislative Reform	Completion of Phase III of Customs Act/Special Economic Zone Act	The Agency received the second draft (legislation) as it relates to the Bill to repeal and replace the Customs Act.
GC8	Human Capital Management Enterprise System	HCMES implemented by March 2017	HCMES name change to myHR+. Full system implementation was delayed due to the vendor being required to rebuild the JCA overtime process flow in the system.



No.	Output	Fiscal Target	Performance Comments
	(HCMES) Implementation		
GC9	Electronic Content Management (ECM) System Implementation	ECM implementation by March 2017	4 business units went live with ECM. However, the coding for the broker clerk feature by developers was not complete and the process flow approval by the Commissioner.
GC10	Tableau Visual and Data Analytics Implementation	Tableau implementation by September 2016	Tableau visual and data analytics application was configured and implemented by September 2016.



## OPERATIONAL PERFORMANCE

### Revenue Collection

#### Strategic Objective 1

To assess and collect revenue due

The targeted collection assigned to the Jamaica Customs Agency for FY16/17 was \$191.496Bn, of which \$177.624Bn was in respect of the tax items and \$13.871Bn for non-tax items. At March 31, 2017, total net revenue collected stood at \$188.5Bn and represented 98.5% of the annual collection target. Despite the below-budgeted performance, the JCA recorded a positive year-on-year performance with the variance being \$27.395Bn or 17%, increasing from the \$161.105Bn recorded for FY15/16.

For FY16/17, 98% of the tax revenue target was achieved with the collection of \$173.984Bn against the targeted collection of \$177.624Bn. All major tax revenue items underperformed relative to the target with the exception of the Import Duty revenue.

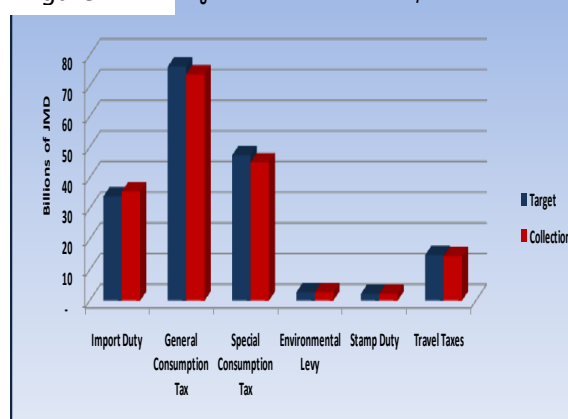
The Import Duty revenue of \$35.571Bn exceeded the targeted collection of \$33.998Bn by \$1.573Bn or 4.6%. However, the Import Duty revenue increased from \$29.510Bn in FY15/16 to \$35.571Bn for FY16/17 by \$6Bn or 20.5%.

The drivers of this Import Duty performance were durable consumer goods which included motor vehicles and household appliances. The increase in the personal income tax threshold and the associated expansion in personal disposable income may have induced greater level of expenditures on durable consumer goods.

The General Consumption Tax (GCT) revenue of \$73.734Bn fell short of the collection target of \$76.290Bn by \$2.555Bn or 3.4%. In comparison to the previous fiscal year, the GCT revenue grew by 12% or \$7.929Bn from \$65.805Bn in FY15/16.

The Special Consumption Tax (SCT) also recorded a below-budgeted performance of \$2.320Bn or 5% against the target. The targeted collection was \$47.406Bn while \$45.085Bn was collected. However, in comparison to FY15/16 where \$37.256Bn was registered, this revenue item performed positively, recording a variance of \$7.828Bn or 21%. New revenue measures applicable to cigarettes and petroleum products bolstered the year-on-year performance. Relative to the targeted SCT collection, the underperformance of automotive diesel oil may have had a negating effect.

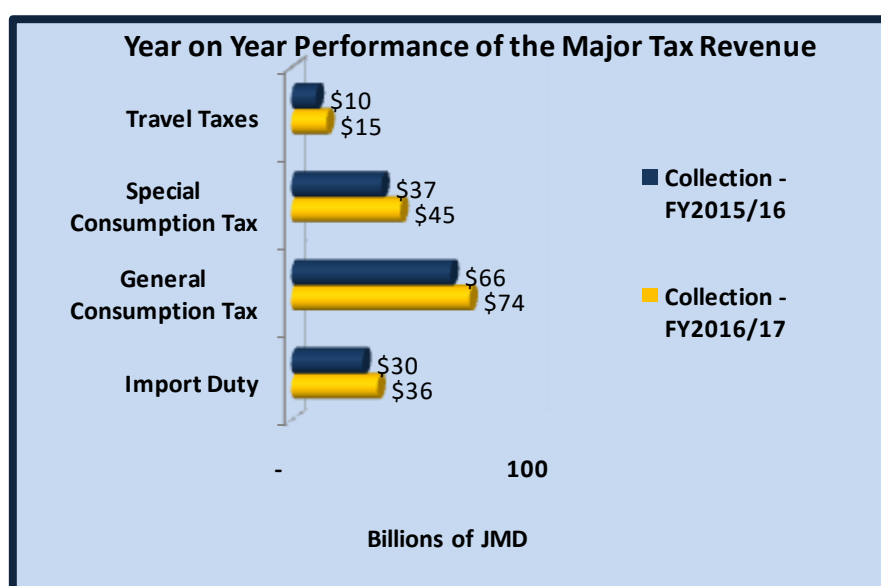
Figure 1: Budgeted and Actual Collection - FY2016/17



Greater importation of motor vehicles, cigarettes, steel, machines for the reception, conversion and transmission or regeneration of voice, as well as cellular phones, tiles, lubricating oils, television, car tyres and pitch-pine wood drove the increase in the GCT revenue.

Lower GCT revenue was generated from other communication instruments and apparatus, ultra-violet or infra-red ray apparatus, hearse of unladen weight exceeding 2032Kg, preparation of malt extract and chicken paste.

Figure 2:



For FY16/17, the Travel Tax rate was denominated in United States Dollars and increased to US\$35 from US\$14, the estimated equivalent to the prevailing rate of JMD 1,800. An estimated additional revenue yield from this revenue measure was \$5.3Bn. The actual growth in the Travel Tax revenue of \$3.906Bn or 84%, fell short of the projected increase. Forward buying, the purchasing of tickets prior to the effective date of the new revenue measure, for travel dates post the implementation, may have contributed to this below-budgeted performance of the Travel Tax item.

Non-tax revenue totalled \$14.515Bn for FY16/17 and exceeded the non-tax revenue target of \$13.871Bn. The Customs Administration Fee (CAF) accounted for 91% of the non-tax revenue, the same as in the previous fiscal year. The drivers of the CAF revenue were the major petroleum products<sup>1</sup>, motor vehicles, steel and tiles.

### Business Unit/Stations Contribution

The Customs Houses – Kingston, Montego Bay and St. Ann's Bay, along with the Motor Vehicle Unit accounted for 94% of the revenue collected. The remaining customs collection points accounted for 6% of the Agency's total revenue outturn. In respect of the Motor Vehicle Unit, \$22.453Bn was generated for FY16/17 in comparison to the \$20.683Bn recorded for FY15/16. Both databases<sup>2</sup> revealed that a total of 28,999 and 34,754 motor vehicles were duty paid for FY15/16 and FY16/17 respectively. This registered an increase of 5,755 or 20% in motor vehicles imported duty paid.

For the FY16/17, the Valuation Verification Unit processed a total of 46,153 documents, of which 28,744 or 62% were motor vehicle bills of sight, 14,450 or 31% were referrals and 2,959 or 6% comprised other documents. When compared to the previous fiscal year, a total of 36,116 documents were processed of which 20,798 or 58% were motor vehicle bills of sight, 13,914 or 39% were referrals and 1,404 or 4% were other documents. Comparably, this represented a 28% increase in total documents processed.

The total additional value assessed for duty from motor vehicle bills of sight and referrals was \$2.373Bn, resulting in additional revenue of \$1.111Bn collected. The additional value assessed for the

<sup>1</sup> motor spirits, bunker c fuel oil, crude oil, jet fuel, lubricating oils

<sup>2</sup> ASYCUDA World and Metacube

previous year totalled \$1.405Bn from which additional revenue of \$0.715Bn was recorded. Thus, the additional value assessed for duty payment increased by \$0.967Bn or 69% while the additional revenue grew by \$0.396Bn or 55%.

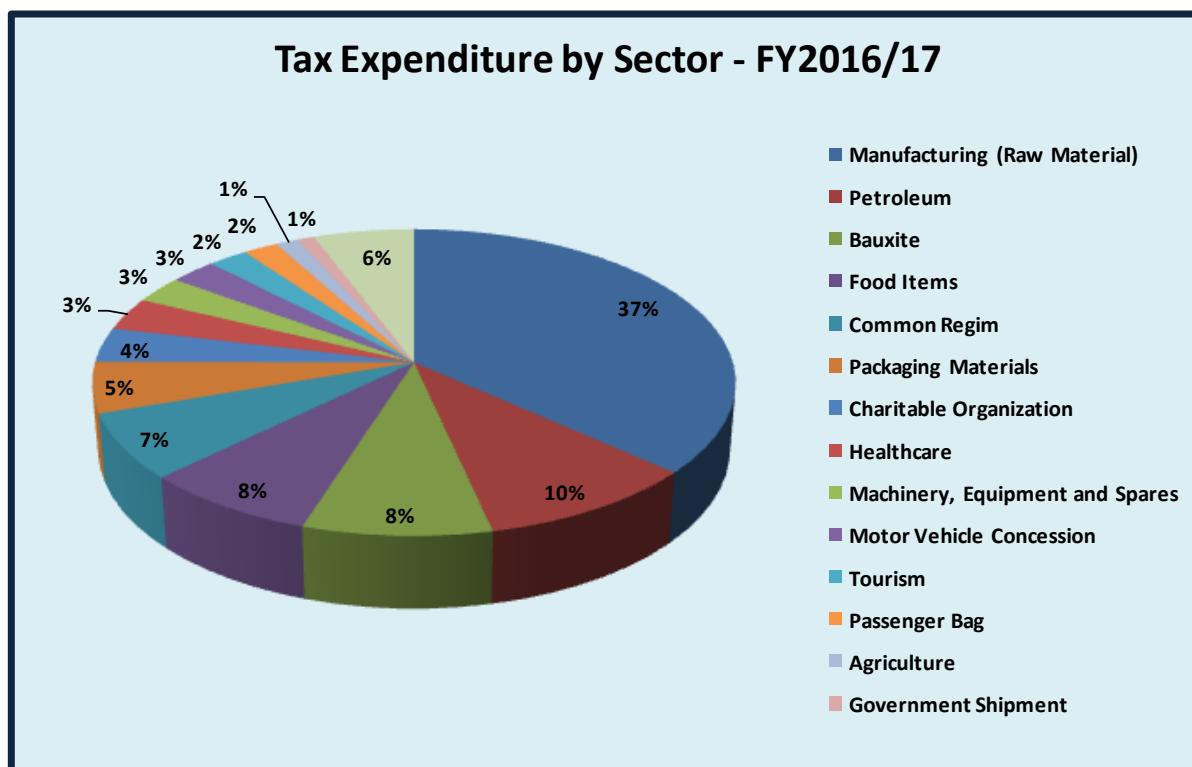
### Performance of the Proxy Trade Indicators

The proxy trade indicators registered mixed performances. The total number of domestic containerized shipments processed totalled 97,974 containers for FY16/17 and registered a decline of 13,258 containers or 12%, from the 111,232 processed for FY15/16. The tonnage of domestic cargo landed totalled 6.511Mn metric tonnes and registered a 2% or 0.107Mn metric tonne decrease from the 6.618Mn metric tonne recorded for FY15/16. The nominal CIF value of imports totalled \$619.107Bn for FY16/17 and grew by \$19.071Bn or 3% from the \$600.036Bn recorded for FY15/16. In addition to the finished and unfinished petroleum products, the top imports by CIF value were motor vehicles, medicaments, soda lye, oil-cake, durum wheat, communication apparatus, steel, refined sugar, corn and corn seed for the manufacture of animal feed as well as other food preparations.

### Tax Expenditures

Fiscal incentive is a tool used by governments to promote a desired level of sector-specific productive activity. For FY16/17, the total value of tax expenditures processed by the JCA totalled \$100.993Bn. As a percentage of the total revenue collected, tax expenditures represented 54%. From a sectorial perspective, the manufacturing sector accounted for 37% of the tax expenditures in respect of raw materials. The petroleum sector accounted for 10% of the tax expenditures and was largely in respect of crude oil. The bauxite sector accounted for 8% of the tax expenditures and was predominantly in respect of partly refined petroleum and soda lye.

Figure 3:



## Border Protection

### Strategic Objective 2

To increase the methods of detection for imported and exported illegal and prohibited

The Agency continued to battle with the continuous frequent contravention of the Customs Laws, particularly sections 209, 210 and 211, false declarations, evading of customs laws and concealment of goods respectively. Across the operational areas, there were 567 breaches cited during the year in comparison to 755 in the previous year. Hence, a fairly significant decline of 188 breaches cited or 25%. Likewise, the additional revenue yielded from breaches was \$0.074Bn, a decrease of \$0.023Bn or 24% down from \$0.097Bn in the previous fiscal year. However, the penalties or fines imposed and collected from breaches amounted was \$0.113Bn for FY16/17 compared to \$0.076Bn in FY15/16, an increase of \$0.037Bn or 49%.

As a means of verifying compliance, the Agency executed 26,108 secondary examinations over the fiscal year when compared to 21,205 in FY15/16. The additional revenue detected and collected from secondary examinations for FY16/17 was \$0.029Bn, reflecting an increase of \$0.013Bn or approximately 81% over \$0.016Bn in the previous fiscal year.

### Enforcement Activities

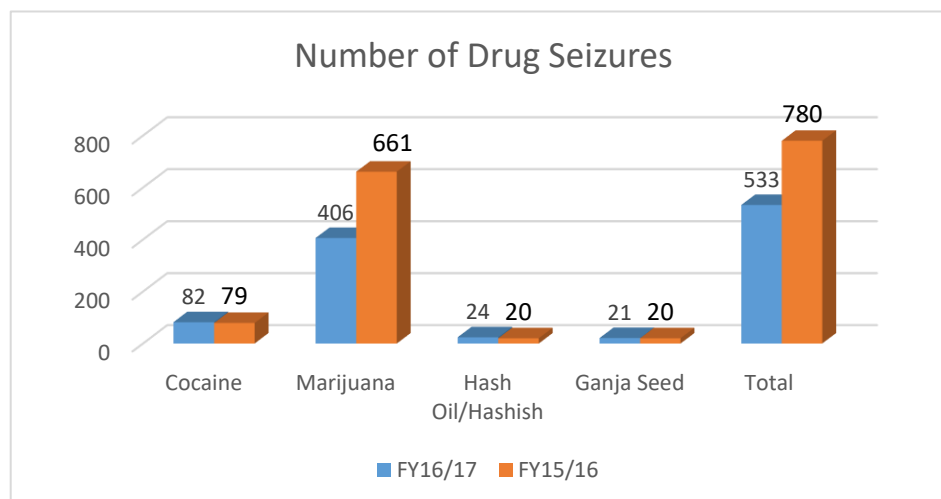
Rummage operations<sup>3</sup> conducted increased by 359 or 61.1% year on year, recording 947 operations up from 588 operations. In addition, the special or planned operations executed also registered a moderate increase of 84 or 33%, from 258 to 342 operations. The number of search warrants executed declined from 51 to 23, noting a negative variance of 28 or 55%.

The year saw 61 persons arrested for suspected or engaging in illegal activities, a decrease of 6 persons or 9% over the previous year of 67 persons arrested. In relation to the Proceeds of Crime Act (POCA) cases, 5 cases were initiated for the fiscal year in comparison to 16 cases for the previous fiscal year. Further, 2 cases were finalized in FY16/17 compared to 12 cases in FY15/16, hence a declining variance of 10 cases or 83% was noted for the year ended. The finalized cases resulted in the forfeiture of the following sums to the crown for FY16/17, USD\$36,835 and £4,180 compared to USD\$469,120; €2,995; £18,100; CAN\$23,700 and JMD\$72,650 for the FY15/16. The amounts were lodged to the consolidated fund.

Overall, the year ended with the number of seizures increasing by 128%, from 1,300 seizures in FY15/16 to 2,963 seizures in FY16/17. Contrary, drug seizures had a downward performance from 780 seizures in the previous year to 533 seizures in the fiscal year ended, a decrease of 247 seizures or 32%. There were 406 marijuana seizures recorded for FY16/17 which accounted for 76% of the total drug seizures compared to 661 marijuana seizures reported for FY15/16 which accounted for 85% of the total drug seizures in the said fiscal year.

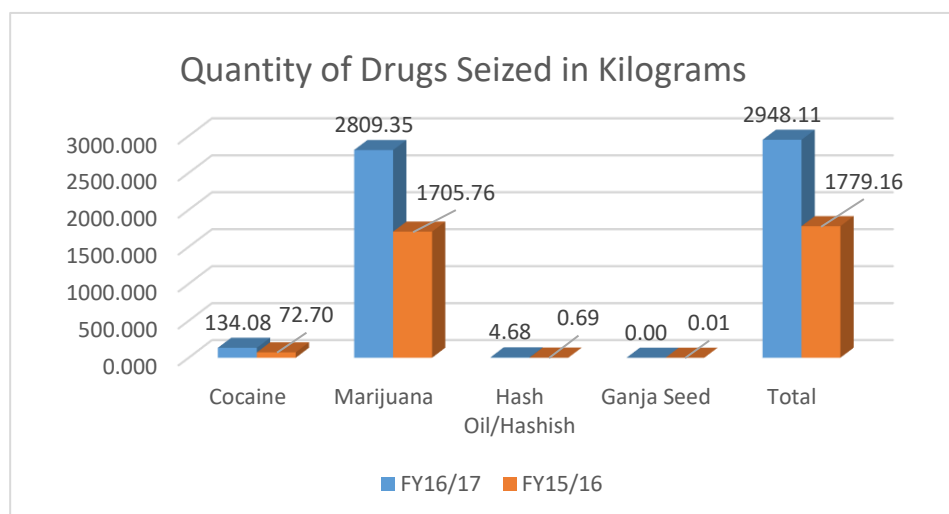
<sup>3</sup> Rummage operations is the planned or unplanned detail searching of an aircraft or vessel.

Figure BP1:



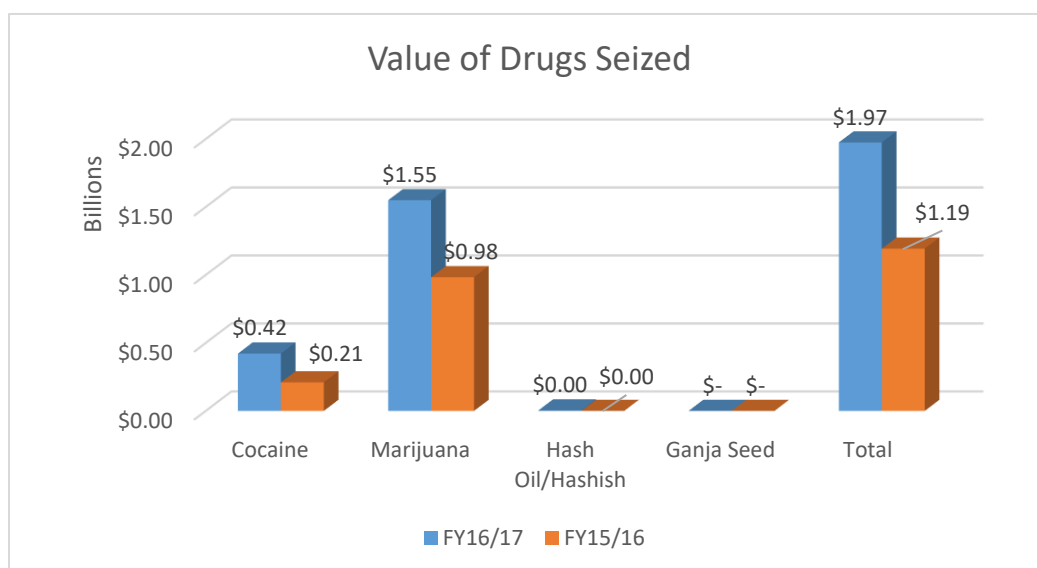
However, the total weight or quantity of drugs seized increased significantly by 1,168.95 kg or approximately 66%, from 1,779.16 kg to 2,948.11 kg. Marijuana seized weight recorded an increase of 1,104 kg or approximately 65%, from 1,705.76 kg to 2,809.35 kg. On the other hand, cocaine seized weight registered an upward movement of 61.38 kg or 84%, from 72.70 kg to 134.08 kg.

Figure BP2:



The total value of goods overall seized increased by \$0.839Bn or 70%, from \$1.194Bn in FY15/16 to \$2.034Bn in FY16/17; with drug seizures accounting for \$1.1974Bn or 97%. Of the total drug seizures cocaine and marijuana seizures accounted for 21% and 79% respectively.

Figure BP3:



Further drugs' seizure value increased from \$1.193Bn in the previous fiscal year to \$1.974Bn in the reported fiscal year, an increase of \$0.781Bn or 65%.

Other contrabands seized included 2,236 ammunition, 16 magazines and 14 firearms for the fiscal year compared to 306 ammunition, 15 magazines and 5 firearms in the previous fiscal year.

Additionally, the number of cigarette sticks seized increased by 1,643,894 sticks or 2800%, a significant upward movement from 58,702 sticks in FY15/16 to 1,702,596 sticks in the reporting fiscal year. A considerable number of sticks were seized in October 2016, December 2016, and February 2017 in the sums of 491,620; 120,787 and 975,257 respectively. These emanated from several joint intelligence-led enforcement operations with JCF's Narcotics Division Ports Team and C-TOC across the eastern and western regions of entities suspected of possessing uncustomed and/or illicit cigarettes. The seizures Similarly, the attributed value of cigarettes seized also increased by \$0.058Bn or 2900%, from \$0.002Bn in FY15/16 to approximately \$0.060Bn in FY16/17. Other general contraband seized recorded 164 seizures in FY16/17 over 194 seizures in the previous fiscal year, a decrease of 30 seizures or 15%.

## Trade Facilitation

### Strategic Objective 3

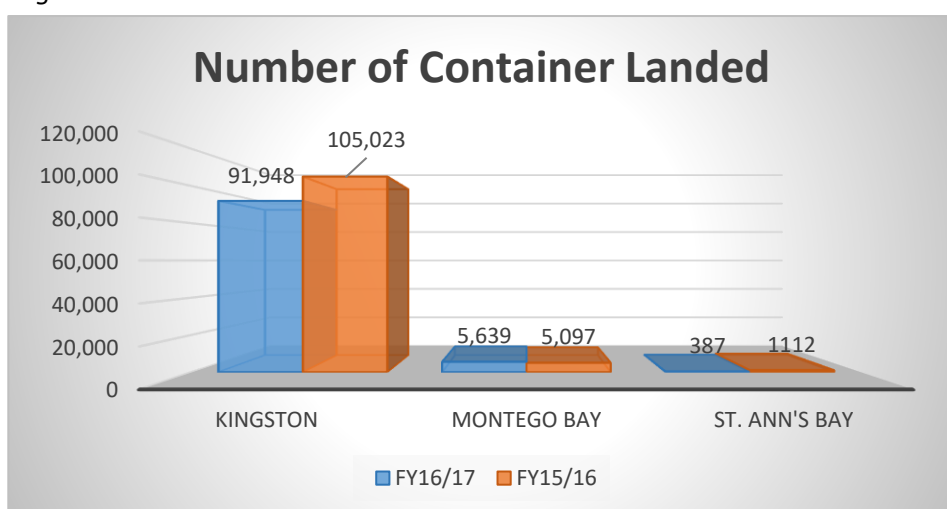
To facilitate the efficient processing of legitimate goods and persons

## Containers Imported and Exported

The JCA endeavours to ensure that efficiency is embedded in its import and export processes to ensure timely service to clients and stakeholders. Year on year there was a decrease of 2,801 or 1.5% in containers scanned (domestic landed and loaded), from 191,898 containers in FY15/16 to 189,097 containers in FY16/17.

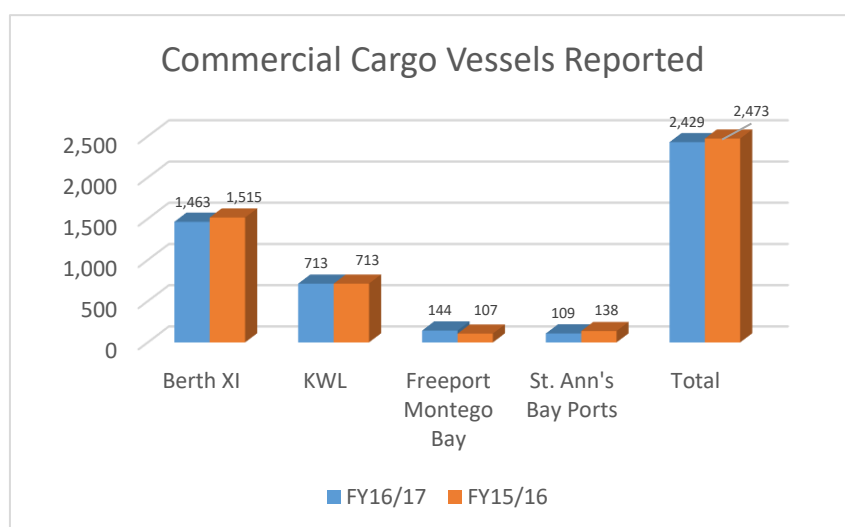
Figure TF1:

The total number of domestic containers landed decreased by 13,258 containers or approximately 12%, from 111,232 containers in the previous fiscal year to 97,974 containers reported for the fiscal year. The relatively moderate decrease could be attributed to the marginal drop-off in commercial cargo vessels reported, from 2,473 vessels in FY15/16 to 2,429



vessels in FY16/17, a negative variance of 44 vessels or -2%. Notwithstanding, domestic exported containers increased by 15,873 containers or 37%, an upward performance from 42,635 containers (FY15/16) to 58,508 containers (FY16/17).

Figure TF2:



See Appendix C; Figure C1 for Reported Vessels at Sufferance Wharves

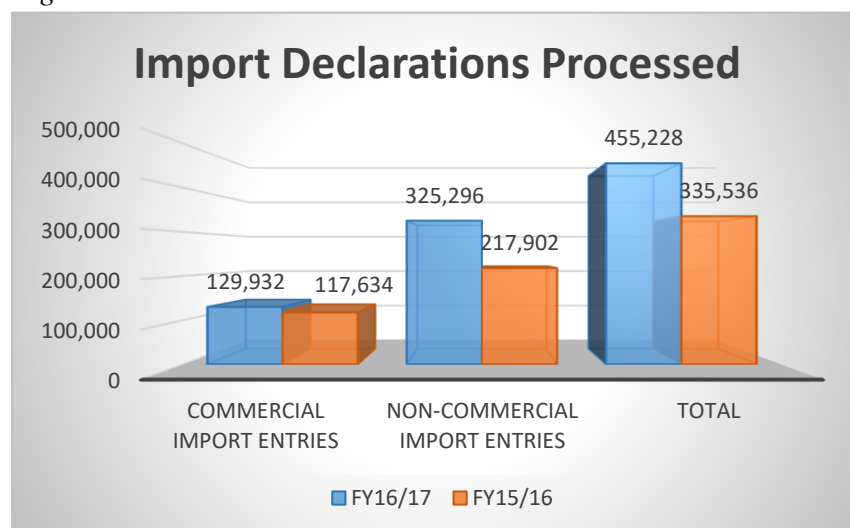
## Tonnage of Shipments

The volume of goods in Metric Tonne (MT) imported relatively decreased by 0.107Mn MT or 2%, from 6.618Mn MT to 6.511Mn MT year-over-year. Further, on the export side, the volume of goods exported also declined from 8.108Mn MT (FY15/16) to 7.335Mn MT (FY16/17), a decline of 0.773Mn MT or 10% particularly due to the falloff in general cargo and specifically bauxite exports. *See Appendix C; Table C7 for Reported Tonnage Exported and Imported.*

## Declarations Processed

Attributed to the implementation of the ASYCUDA system is the effective accounting of cargo imported which likely resulted in the marginal and moderate increase in commercial and non-commercial import declarations processed. Despite the increase in the number of declarations, the Agency maintained its focus on improving trade facilitation through efficiency and average processing cargo imported within **1 hour and 25 minutes** of shipment presented to Customs for inspection or examination.

*Figure TF3:*



Overall import declarations processed increased by 119,692 declarations or 36%. Commercial import declarations processed had an upward performance of 12,298 declarations or 10%, while non-commercial import declarations notably increased by 107,394 declarations or 49%.

*See Appendix C, Table C1 and C2 for details.*

The number of export declarations processed also increased from 40,723 declarations in FY15/16 to 44,708 declarations in FY16/17, netting a growth of 3,985 declarations or 10%. Additionally, the value of exports for the fiscal year under review soared in comparison to the previous fiscal year growing by \$147.892Bn or 161%, from \$91.857Bn (FY15/16) to \$239.749Bn (FY16/17).



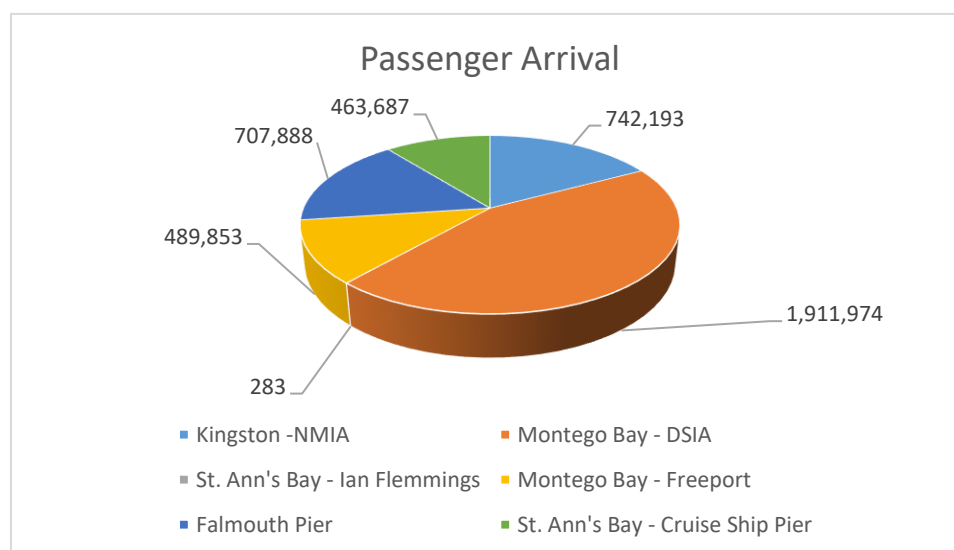
*Table TF1: Export Declarations Processed Comparison*

Locations	Export Declarations Processed FY16/17	Export Declarations Processed FY15/16	Variance	% Variance
Air Cargo DSIA	6,124	6,239	-115	-2%
Air Cargo NMIA	27,901	23,389	4,512	19%
Marine Operations KGN	10,387	10,683	-296	-3%
Marine Operations MBI	38	111	-73	-66%
St. Ann's Bay	84	122	-38	-31%
Sufferance Wharves	174	179	-5	-3%
<b>Total</b>	<b>44,708</b>	<b>40,723</b>	<b>3,985</b>	<b>10%</b>

See Appendix C; Table C3 for the Corresponding Value of Exports.

## Passengers Processed

Contributing to the Tourism sector with the marginal increase in aircraft arrival of 491 aircraft or 2% and also the increase in cruise ship arrival by marginally 9 cruise ships or 2% (see Appendix C: Figures C2 and C3), the JCA processed a total of 4,315,878 passengers landed in FY16/17 compared to 4,176,251 passengers landed in FY15/16, an increase of 139,627 passengers or 3%.

*Figure TF4:*

Passengers arriving by air accounted for 62% of the total passengers processed for the reported fiscal year. Growth of 77,027 passengers or 3% was recorded year over year. Passengers arriving by air increased from 2,577,423 passengers in FY15/16 to 2,654,450 passengers in FY16/17. Cruise ship passengers contributed 38% of the total passenger arrival. Relative growth of 62,600 passengers or 4% was recorded, increasing from 1,598,828 passengers (FY15/16) to 1,661,428 passengers (FY16/17) arriving by cruise ships were observed.

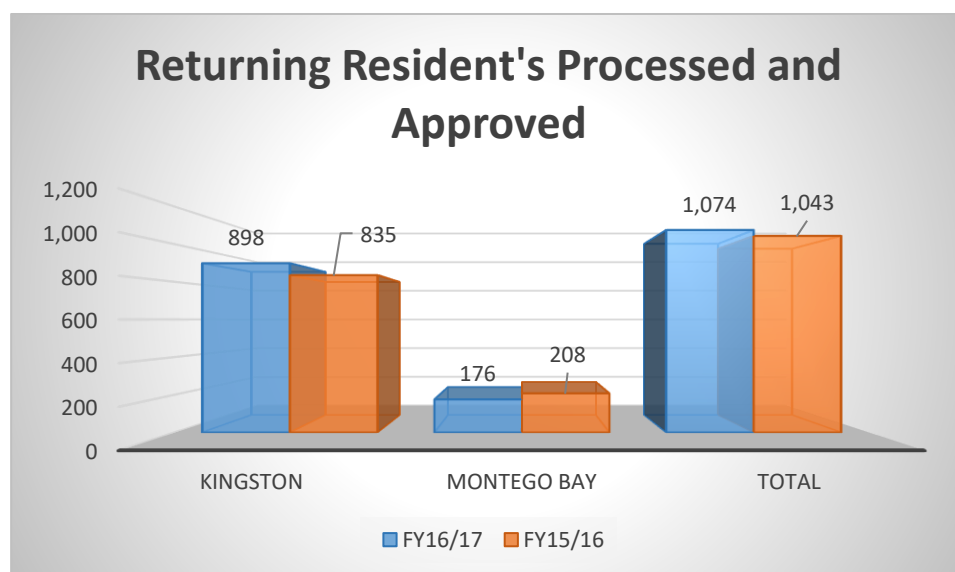
With the increase in passengers arriving by air, the Agency experienced increases both in the number of passengers processed through the green/nothing-to-declare channel and the number of passengers processed through the red/physical inspection channel. Passengers processed through the green channel increased by 26,446 passengers or 1%, from 2,075,027 passengers (FY15/16) to 2,101,473 passengers (FY16/17). On the other hand, the increase for the red channel saw upward movements of 49,556 passengers or 10%, from 495,566 passengers (FY15/16) to 545,122 passengers (FY16/17).

### Returning Residents

The Agency continued to extend a welcoming hand to Jamaica residents returning home categorized or qualified as returning residents in accordance with the second schedule of the Customs Act.

Throughout the fiscal year returning residents' educational packages were

distributed to stakeholders at the Returning Resident's Units and Passenger Terminals at the airports. The fiscal year ended with the Agency processing and approving 1,074 returning residents mainly from the United States of America, the United Kingdom, and Canada. This was an increase of 31 processed returning residents or 3% over the FY15/16



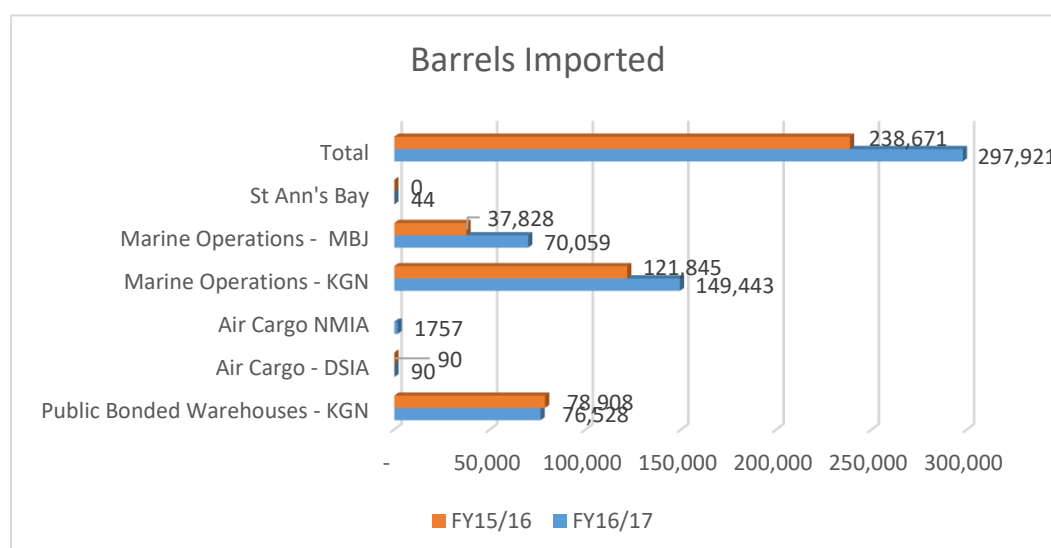
performance of 1,043 returning residents processed and approved (*see Appendix C: Table C5 for other documents processed and approved by the Returning Resident's Unit*).

**Strategic Objective 4**  
To improve voluntary compliance

**Authorised Economic Operator (AEO) Programme***Table TF2: Import Declarations Processed and Duties Collection for AEO*

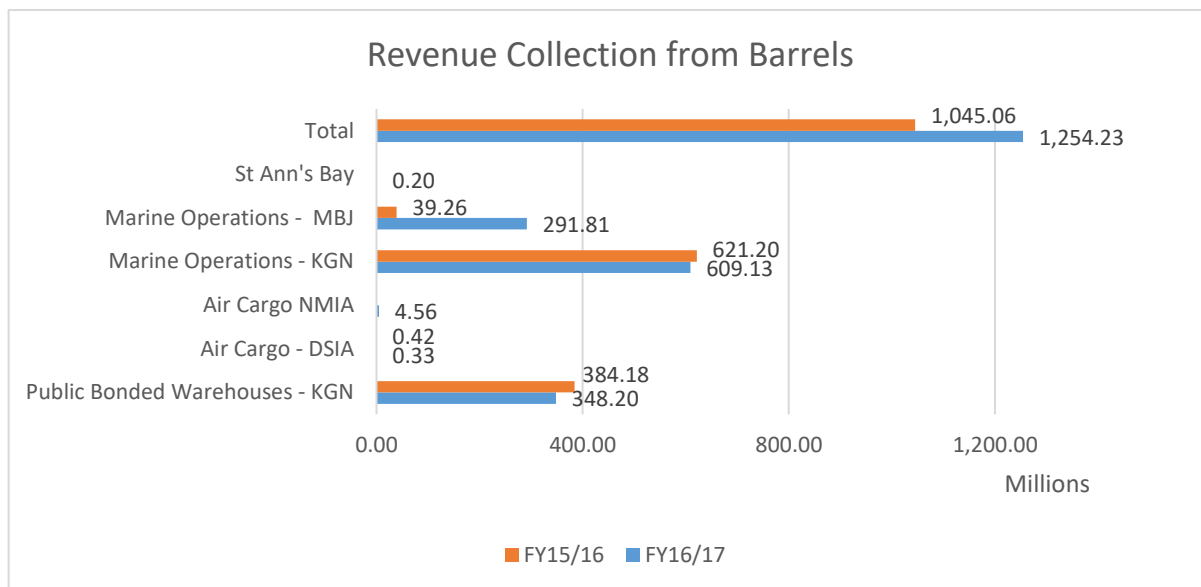
<b>Location</b>	<b>Declarations Processed FY16/17</b>	<b>Declarations Processed FY15/16</b>	<b>Duties Collected in \$Bn FY16/17</b>	<b>Duties Collected in \$Bn FY15/16</b>
<b>Kingston</b>	20,302	29,224	14.660	43.508
<b>Montego Bay</b>	1,581	1,611	2.884	3.300
<b>St. Ann's Bay</b>	36	109	0.339	1.523
<b>Total</b>	<b>21,919</b>	<b>30,944</b>	<b>17.883</b>	<b>48.331</b>

The number of AEO declarations processed had a downward performance. Comparatively, the percentage of AEO declarations processed in terms of the total commercial import declarations was 17% in FY16/17 compared to 30% in FY15/16. The programme registered a negative yield in terms of revenue collected likely due to the decline in imports under the programme, stemming from a 15% decline in the number of AEO participants or companies year over year (143 from 169) as part of the programme. The revenue intake had a diminishment movement from \$48.331Bn in FY15/16 to \$17.883Bn in FY16/17, regressing by \$30.448Bn or 63% in revenue collection. For FY16/17, forty-nine (49) companies were approved, and eighteen (18) companies were removed from the AEO programme. Overall, for the year ending March 2017, one hundred and sixty-two (162) validation visits and 24 spot checks of companies were completed.

**Barrel Import Stimulus Package***Figure TF6:*

The continued incentivized barrel standardized duty programme has improved transparency for the non-commercial importer. This has resulted in the Agency collecting slightly more revenues from barrels imported for the fiscal year. The 59,250 barrels or 25% increase in barrels imported (238,671 barrels in FY15/16 to 297,921 barrels in FY16/17) occasioned a \$0.209Bn or 20% growth in revenue collected from barrels, from \$1.045Bn in the previous fiscal year to \$1.254Bn in the fiscal year ended.

Figure TF7:



### Strategic Objective 5

To improve service delivery to the public

### Stakeholder Engagements

The Agency participated in several outreach activities such as Expositions, Trade Shows and Career Seminars. Concerning career days, the Agency participated at the following: April 2015: Meadow Brook High; Calabar High and Wolmer's High; February 2017: Emann Preparatory and Kindergarten; Flankers Primary and John Rollins Success Primary, all in Montego Bay, St. James; and March 2017: Clarendon College. The Agency also attended the Jamaica Manufacturers Association (JMA) exposition in April 2016 and the Caribbean Customs Law Enforcement Council (CCLEC) Conference between May 16 – 20, 2016, and participated in the exposition. To further improve awareness among stakeholders' other expositions participated in by the Agency including the Portland Chamber of Commerce Business Expo (June 2016), JCDC Festival – Corporate Branding (August 2016), Caribbean Maritime Institute exposition in recognition of maritime week (September 2016), and Civil Service Week (November 2016). To continue the improvement in awareness among internal and external stakeholders the JCA maintained building its business partnerships through collaborated Quality Assurance Meetings. (QAMs). For FY16/17, the Agency facilitated 12 QAMs.

### **Media Programmes**

The Agency utilized both print and electronic media to highlight new developments and to improve the image of the Agency. Time signals were also used to highlight and share information; these scripts were aired on Power 106 within the specified contracted period.

*Table TF3: Information Coverage by Various Media*

Media	Total Hits/Instances
Newspaper Feature – Clearing Customs	5
Media Exposure	1,184
Customs Stakeholder Exchange	13
Advertisements & Time Signals	624
Media Forum	1
Presentation and Outreach Activities	25
<b>Total</b>	<b>1,847</b>

### **Customer Service**

The Agency assessed the satisfaction level of its clients and stakeholders towards improving and/or maintaining quality customer service and standards. The annual Customer Satisfaction Survey was conducted through a port survey, and the Agency attained a satisfaction level score of 80% overall for the reviewing period. *The table below highlights the number of customers served through the various Customer Service Channels:*

*Table TF4: Number of Customers by Customer Service Channels*

Details	Total Customers
<b>Information Desk (NMIA; DSIA &amp; Head Office)</b>	49,806
<b>Customers assisted via Quick Response</b>	45
<b>Telephone Call Enquiries</b>	3,616
<b>Emails (Queries resolved ≤ 3 days)</b>	375
<b>Total</b>	<b>53,842</b>

### **Customs Week 2017**

Annually, the Jamaica Customs Agency along with countries around the world recognize January 26 as International Customs Day which is stipulated by the World Customs Organization (WCO). The theme celebrated this year focused on fostering sustainability for people, prosperity and the planet.

As is customary, there is a week of activities to celebrate the day and this year's activities started from January 22 - 27, 2017. The week started with its staple event of a church service, and this took place across three Locations Island wide, Kingston, Montego Bay and St. Ann. In Kingston, worship was at the New Testament Church of God, in St. Ann the Open Bible Church and Family Church on the Rock,

in Montego Bay. The support from employees and stakeholders was quite overwhelming, as they came out in their numbers for the success of all three church services.

A newspaper supplement was published on January 23, 2017, in both the Gleaner and the Jamaica Observer, which featured messages from the Governor General, the Prime Minister and the Leader of the Opposition and highlighted the achievements of the Agency.

The inaugural event Customs Meets the Community was launched in the courtyard on Tuesday, January 24, 2017, with several Senior Government Officials in attendance. Minister Audley Shaw was the keynote speaker and in summary, spoke about the importance of engaging with our customers and stakeholders. Other government officials included Minister Parnell Charles Jnr., Acting Commissioner of Police, Clifford Chambers, Dr Dwayne Vernon, from the Social Development Commission and Mr. Michael Gentles, Postmaster General.

International Customs Day was observed on Thursday, January 26, 2017, and to highlight the day's event, the JCA hosted a Stakeholders' Appreciation and Outside Broadcast. Several exhibitors participated in the day's activities and the Outside Broadcast, and this was covered by Khadine "Ms. Kitty" Hylton from Nationwide News Network and Dervan Malcolm from Power 106. Some of the booth holders who participated were ATL Motors, PICA, Pricemart, Victoria Mutual Building Society, National Commercial Bank, RPD, Bank of Nova Scotia, and the Department of Cooperatives and Friendly Societies just to name a few. In Montego Bay, it was held at the Donald Sangster's International Airport Passenger Terminal and Container Station (Freeport). There were lots of prizes and giveaways. Our stakeholders had a wonderful experience.

To bring the curtains down after a successful week of activities the Agency hosted vibes day, which was held on Friday, January 27 in Kingston and Montego Bay. Members of staff were feted with music, prizes, food, giveaways, and entertainment.

### Strategic Objective 6

To automate and strengthen information management, information and communication technology, and financial management systems

The Agency continued its implementation of several technological systems to improve its business processes for both internal and external stakeholders. Below are the status or updates at the end of the fiscal year:

#### Customer Relationship Management (CRM) System

The configuration of the SysAid system was completed, however, challenges were experienced with converting the existing data from the former customer service platform to the SysAid system. As a result, the rollout of the system was rescheduled for FY17/18.



#### Human Capital Management Enterprise System (HCMES)

The HCMES name was changed to MyHR+. Throughout the fiscal year the Human Resource Management and Development (HRMD) Division focused on cleaning and preparation of the Biodata/Biometrics details for staff to facilitate the inputting of such in the system. The 'Go Live' for the system with the transitioning to the production environment in progress was June 2017, commencing with functionalities for payroll, HR and self-service.



#### Enterprise Content Management (ECM) System

The implementation of the ECM system continued with the AEOs' application and renewal functionalities going live on February 28, 2017. The Kingston Collector's office 'To-Be' process flow was completed and is to be reviewed. The implementation also noted the HRMD's registry completing 59 staff files with the newly designed template. Additionally, the Customs Broker Clerk process flow was approved by the respective Senior Management. Notwithstanding, potential improvements for the Collection and Delinquency Unit functionalities that were implemented prior have been identified in the production phase or stage.

#### Automated System for Customs Data (ASYCUDA) World Integration with PCS



The JCA is intent on reducing its carbon footprint through reduced use of paper in doing business. Much had been achieved with the implementation of ASYCUDA World; the Agency, however, in its observation found that there was still a relatively significant amount of paper being used to complete transactions. This was especially noted for processes that were port related including issuing Customs releases and gate in/out operations. The detachment between the port and Customs which has several intertwined processes

and must maintain close relationships working together for the delivery of international trade gives way to the abusive use of paper as a means of instituting control and for confirmation. The automating of these controls and or confirmation points through the ASYCUDA-PCS integration aided in reduced paper consumption. The integration further reduced the time taken to complete transactions as labour-intensive activities have been automated. Further, distortion in the process due to human error has also been mitigated and greater accuracy where data submission and instructions are concerned has been realized.

The integration with the PCS, strengthened the JCA's border protection capabilities, enhancing its tracking ability of consignments from the date of manifesting to the date of clearance. The interfaces



between the systems fostered greater intelligence gathering. While ASYCUDA contains a repository of importers, exporters and brokers, there are other parties involved in the supply chain that are not currently registered in the system. The PCS, based on its operational functionalities requires all handlers or parties of interest in every consignment to be inputted into that system. Hence, it's creating an enrolment or instituting trusted partners in the supply chain. The sharing of all this information with Customs through the conduits of the interfaces enhanced the Agency's risk assessment capabilities across the majority of the trade supply chain, which in turn could lead to greater trade facilitation.



## Resource Management

### Strategic Objective 7

To develop and maintain a team of motivated, professional and competent staff

## Staffing, Training and Development

The fiscal year ended with the JCA's Executive Agency (EA) Structure standing at 1,437 posts or positions. However, the total staff complement reported was 1,161 employees. Specifically, the number of staff recorded on the EA structure was 1,091 employees, hence 76% of the EA structure was filled. The difference of 70 employees remained on the JCD structure. The Agency prides itself on having competently trained staff delivering services to the public, and as such recognises that capacity building is quintessential to the professional growth and development of the JCA. See below capacity development or training summary comparatives:

*Table 5: Summary of Training Operational Performance*

Training Courses			
	FY16/17	FY15/16	% Variance
<b>5 Days Training</b>	179	218	-18%
<b>4 Days Training</b>	27	24	13%
<b>3 Days Training</b>	94	79	19%
<b>2 Days Training</b>	476	505	-6%
<b>1 Day Training</b>	894	777	15%
<b>No. of Local Courses</b>	104	104	0%
<b>No. of Overseas Courses</b>	42	33	27%
<b>Total No. of Staff Trained Internally</b>	1,454	1,182	23%
<b>Total No. of Staff Trained Externally</b>	<b>232</b>	<b>209</b>	11%

### Strategic Objective 8

To adhere to occupational health, safety and environmental national, regional and international

Demonstrating its commitment to the safety of staff and understanding their importance to the efficient and effective operation of the Agency, with regards to Occupational Health and Safety, the Agency continued its programme with the implementation of related policies that were approved. Employee safety communication sessions were held with the line or operational staff, while radiation monitoring sensitization sessions facilitated by ICENS were conducted with the Cargo Imaging Branch. In addition, safety development workshops were facilitated for managers and supervisors.

## Governance and Control

### Strategic Objective 9

To improve the system of internal control within the Agency

## Internal Audit

The Internal Audit mechanism of the Agency ended the fiscal year with a 100% performance score having completed all 14 planned audits of the Annual Audit Plan. The audits covered cross processes and or functions of the Agency such as Temporary Importation; Retro-Active Meal Allowance; Cashiers' Discrepancy; Foreign Travel; Procurement Process; Remittance to Agencies; Fixed Assets Inventory; Appropriations Account 2014/2015; Sufferance Wharves; Authorized Economic Operators; Bank Cheques and a Special Assignment of the Contraband Enforcement Team.

### Strategic Objective 10

To improve the legal and regulatory frameworks

## Legislative Affairs

Supporting the surge to further improve trade facilitation, the Agency commenced internal consultations and review of the SEZ draft regulations to ensure that they are harmonious with the proposed new Customs Act. Further, the drafted text of the Customs Act also commenced in relation to the drafted legislative language regarding the Authorized Economic Operators.

Irrespective of the prior efforts and intentions regarding further amendments to the Customs Act over several phases in January 2017, the Minister of the MOFPS gave a directive to repeal and replace the Customs Act based on the Attorney General's recommendations. Subsequently, a cabinet submission was done in February 2017 and approval was granted on February 24, 2017.

A Bill to repeal and replace the Customs Act is to be tabled in the House of Parliament in August 2017.

## Financial Highlights

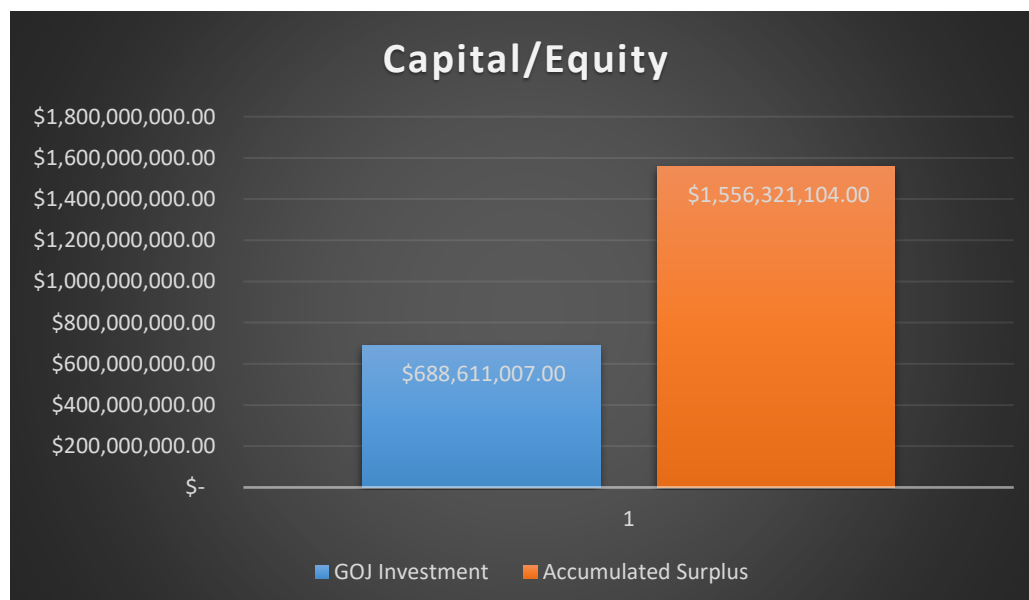
The Financial Year 16/17 represented the fourth (4<sup>th</sup>) year of operations under the Executive Agency Model – The Jamaica Customs Agency.

Table 6: Financial Highlights

FINANCIAL HIGHLIGHTS	As At March 31, 2016	As At March 31, 2017
	\$ ' 000	\$ ' 000
EQUITY & LIABILITIES	1,141,940.13	2,331,450.61
WORKING CAPITAL	711,249.13	1,731,231.38
REVENUES / INCOME	5,724,397.74	8,061,330.56
CUSTOMS ADMIN. FEES	5,715,405.00	8,057,376.93
SERIVCE CHARGES	-	-
Other Income	8,992.74	3,953.62
RETURN ON EQUITY	542%	359%
EXPENDITURE BUDGET (APPROVED)	5,715,405.00	8,057,377.00
EXPENDITURE BUDGET (REVISED)	5,715,405.00	8,057,377.00

The Agency's financial position at the end of the year continued to remain strong as was in previous financial years. The Agency's Capital / Equity has increased significantly in the financial period being reported, owing to a three times increase in its Accumulated Surplus from **\$420Mn** at the end of the FY15/16, to **\$1.56Bn** at the end of the FY16/17. The Donated Asset Reserve also increased to \$132.8Mn from \$79.8Mn an increase of \$53Mn, representing 250 Tablets and Laptops received under the FAMP programme through the Ministry of Finance.

Figure 14:



The Agency's Non-Current asset base for the FY increased from **\$430.69Mn** as at April 1, 2016, to **\$600.22Mn** as at March 31, 2017 (an increase of **39.4%**). The Agency saw additions of fixed assets totalling **\$266.5Mn** during the financial year, with disposals of **\$6.7Mn** through its Board of Survey

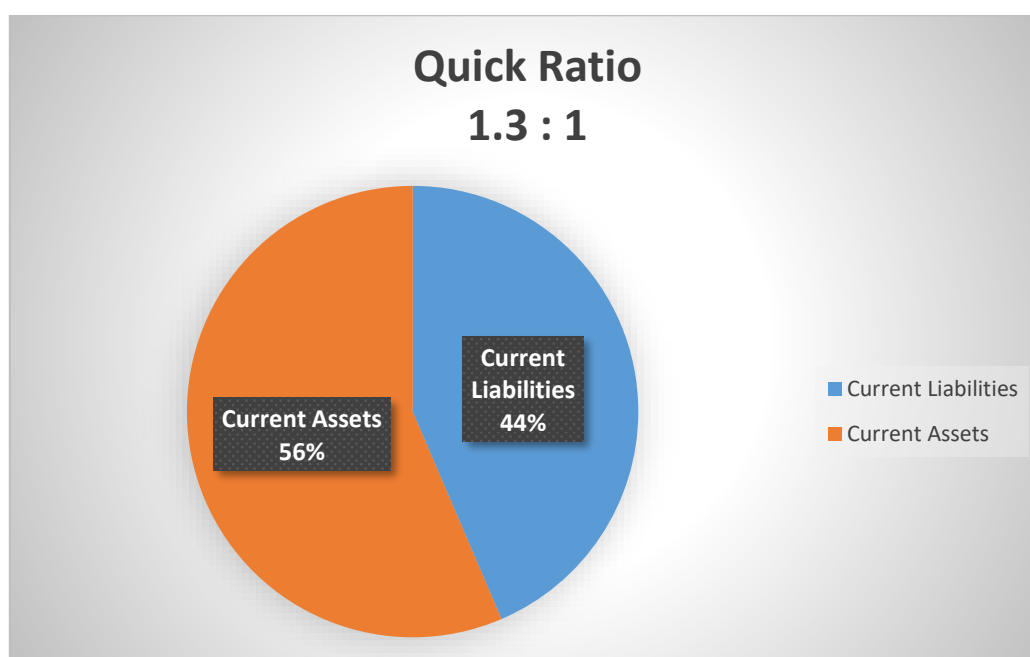
process based on obsolescence, destruction, or replacement. Depreciation during the financial year stood at **\$89.5Mn** or **15%** of the total fixed assets.

There was no significant movement in the value of the Agency's Intangible Assets during the Financial Year.

At the end of the financial year Accounts Receivables stood at **\$520.5Mn**, up from the prior FY (**\$360.8Mn** in 2015/16). These receivables include receipts from Airlines and Shipping companies for Private Overtime compensation. The Agency has been very active in pursuing strategies to reduce these outstanding amounts, having seen a reduction in the receivables (see Note 8 of the Financial Statements) compared to the prior year by approximately 8%. This increase is however not to be regarded as alarming, as the activities of the entity and service to the consumers increased comparatively and have been maintained or reduced through active discussions with Agents for the receipt of same.

The Current Assets of the Agency as at the end of the financial year stood at approximately **\$7.58Bn** versus Current Liabilities of **\$5.85Bn**. The Agency's Quick Ratio, therefore, stands at **1.3 : 1** at the end of the period (up from 1.2 : 1 in the prior FY). This means the Agency would be able to cover its current obligations with its current asset base if so called on to do.

Figure 15:

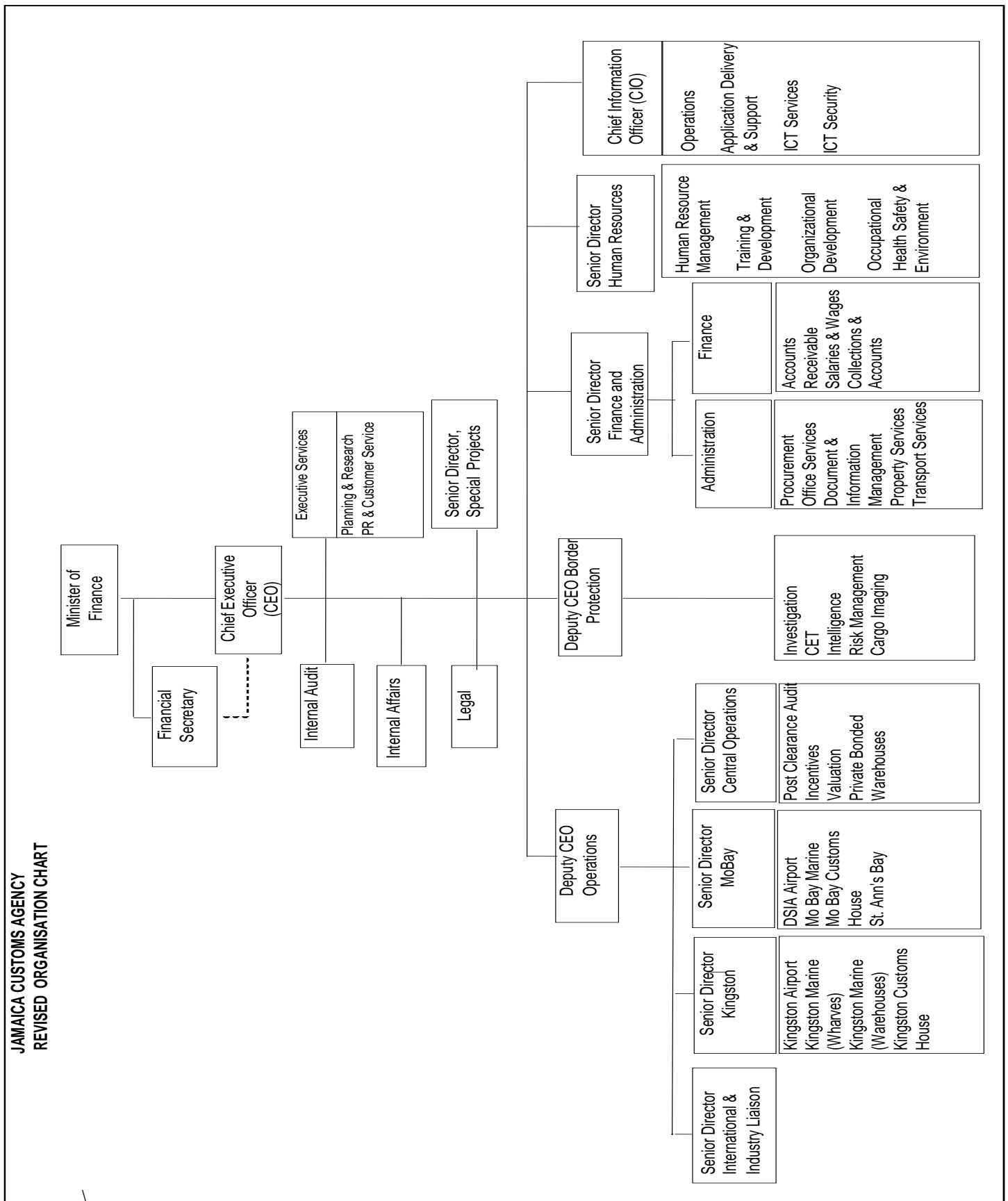


This is an indication of the positive financial health of the Agency and a very low level of underutilization in working capital. This should however not be looked at in isolation. As the Agency continues to expand its operations into the next financial periods and beyond, it is estimated that the Current Assets of the Agency will significantly increase, along with the Agency's revenues relative to expenditures.

The JCA received no financial assistance from the GoJ's Consolidated Fund within the financial year, covering all its expenses from its Appropriations in Aid in the form of the Customs Administrative Fee collections. The Agency ended the financial period with a Net Surplus of approximately **\$2.3Bn**, of which **50%** or **\$1.14Bn** was transferrable to the GoJ as required by the Executive Agencies Act under

which the entity operates. This surplus realized is an increase of approximately **131%**, moving from **\$984Mn** in the prior fiscal year to where it stands at the end of FY16/17.

## Appendix A: Revised Organisation Structure



## Appendix B: Revenue Collection Performance

*Table B1: Tax & Non-Tax Net Revenue Comparison FY16/17 vs FY15/16*

ITEMS	MOF & P TARGET APR 16 TO MAR 17 \$	COLLECTIONS APR 16 TO MAR 17 \$	TARGET VS COLLECTIONS VARIANCE		COLLECTIONS APR 15 TO MAR 16 \$	APR 16-MAR 17 VS APR 15-MAR 16 VARIANCE	APR 16 -MAR 17 VS APR 15 - MAR 16 VARIANCE PER.
<b><u>Tax Revenue</u></b>							
IMPORT DUTY	33,998,503,208	35,571,622,937	1,573,119,729	4.6%	29,510,968,231	6,060,654,706	20.5%
WAREHOUSE FEES	9,165,792	9,602,998	437,206	4.8%	8,457,500	1,145,498	14%
GENERAL CONSUMPTION TAX	76,290,249,000	73,734,637,935	(2,555,611,065)	-3.4%	65,805,050,425	7,929,587,510	12%
SPECIAL CONSUMPTION TAX	47,406,051,000	45,085,095,435	(2,320,955,565)	-5%	37,256,828,011	7,828,267,424	21%
ENVIRONMENTAL LEVY	2,804,773,000	2,796,092,194	(8,680,806)	-0.3%	2,595,580,963	200,511,231	8%
STAMP DUTY*	2,231,436,000	2,260,182,322	28,746,322	1%	1,970,930,527	289,251,795	15%
TRAVEL TAX	8,788,259,134	8,577,414,128	(210,845,006)	-2%	4,671,005,575	3,906,408,553	83.6%
PASSENGER LEVY	6,096,527,866	5,950,261,986	(146,265,880)	-2%	5,479,878,382	470,383,604	9%
<b>Total Tax Revenue</b>	<b>177,624,965,000</b>	<b>173,984,909,935</b>	<b>(3,640,055,065)</b>	<b>-2%</b>	<b>147,298,699,614</b>	<b>26,686,210,321</b>	<b>18.1%</b>
<b><u>Non- Tax Revenue</u></b>							
EXCISE TAX	-	81,908	10,917	100%	40,138	41,770	104%
DEPT. & MISC. REVENUE	460,000	2,020,628	1,560,628	339%	1,073,006	947,622	88%
FINES & FORFEITURES	90,000,000	142,458,630	52,458,630	58%	83,695,978	58,762,652	70%
PROCEEDS OF SALE	200,000,000	88,321,090	(111,678,910)	-56%	160,695,405	(72,374,315)	-45%
STANDARDS COMPLIANCE FEE	26,800,000	896,797,158	869,997,158	3246%	803,396,781	93,400,377	12%
IRREVOCABLE STANDING ORDER	185,000	78,000	(107,000)	-58%	179,500	(101,500)	-57%
CUSTOMS ADMINISTRATION FEE	13,491,981,981	13,254,387,979	(237,594,002)	-1.8%	12,545,744,900	708,643,079	6%
MISCELLANEOUS REV (EXP)	11,000,000	525,000	(10,475,000)	-95%	1,040,198	(515,198)	-50%
CUSTOMS BROKER EXAM FEE	-	-	-	-	-	-	-
CUSTOMS BROKER LICENSES	4,354,456	3,518,000	(836,456)	-19%	3,855,685	(337,685)	-9%
TOURIST SHOP LICENSES	17,906,553	22,143,283	4,236,730	24%	22,069,807	73,476	0%
TOURIST SHOP OPERATING	28,639,864	26,032,475	(2,607,389)	-9%	29,715,570	(3,683,096)	-12%
CARRIER NET SERVICE CHARGE	-	4,253,603	4,253,602.84	100%	11,962,262	(7,708,659)	-64%
DAIRY CESS	-	74,994,427	74,994,427	100%	76,817,619	(1,823,192)	-2%
CUSTOMS USER FEE	-	99,618	99,618	100%	66,527,289	(66,427,671)	-99.9%
<b>Total Non-Tax Revenue</b>	<b>13,871,327,853</b>	<b>14,515,711,799</b>	<b>644,383,946</b>	<b>4.65%</b>	<b>13,806,814,139</b>	<b>708,897,660</b>	<b>5%</b>
NET REVENUE	<b>191,496,292,853</b>	<b>188,500,621,734</b>	<b>(2,995,671,119)</b>	<b>1.56%</b>	<b>161,105,513,752</b>	<b>27,395,107,982</b>	<b>17%</b>
REVENUE DEPOSIT RECEIVED		13,265,556,098	1,086,562,953	100%	13,942,777,035	(677,220,937)	-5%
RDP		(14,314,005,566)			(13,772,071,484)	(541,934,082)	4%
<b>NET COLLECTIONS</b>	<b>191,496,292,853</b>	<b>187,452,172,266</b>	<b>(4,044,120,587)</b>	<b>-2.1%</b>	<b>161,276,219,303</b>	<b>26,175,952,963</b>	<b>16.2%</b>

Table B2: Gross Collections by Stations Comparison FY16/17 vs FY15/16

LOCATION	APR 16 - MAR 17 Projections	APR 16 -MAR 17 Collections	APR 16 - MAR 17 Collections vs Projections Variance	APR 15 - MAR 16 Collections	APR 16 - MAR 17 vs APR 15 - MAR 16 Variance	
ADOLPH LEVY	675,274,002	919,110,169	243,836,167	36%	627,095,895	292,014,274 47%
AIR CARGO - NMIA	930,703,577	1,078,135,987	147,432,410	16%	819,443,342	258,692,645 32%
BERTH XI	263,666,740	619,549,864	355,883,124	135%	291,500,975	328,048,889 113%
CUSTOMS HOUSE - KGN	151,606,459,534	144,461,462,553	(7,144,996,981)	-4.7%	125,785,911,145	18,675,551,408 15%
EXPENDITURE CASHIER	164,862	4,856,603	4,691,741	2846%	13,181,959	(8,325,357) -63%
JAMAICA DISPATCH	1,071,453,215	1,390,725,801	319,272,586	30%	838,558,463	552,167,337 66%
KINGSTON WHARVES	1,156,121,163	1,556,422,916	400,301,753	35%	1,075,857,718	480,565,198 45%
MANDEVILLE	1,866,764	3,532,232	1,665,467	89%	3,028,427	503,805 16.6%
AIR CARGO DSIA	320,402,885	348,398,685	27,995,800	9%	268,295,367	80,103,318 29.9%
CUSTOMS HOUSE MONTEGO BAY	26,922,009,075	25,676,197,274	(1,245,811,802)	-4.6%	22,104,489,810	3,571,707,464 16.2%
PASSENGER CONTROL DSIA	108,114,659	116,275,827	8,161,168	8%	92,223,331	24,052,496 26%
PORT HANDLERS (Freeport) Montego Bay	450,514,329	1,096,172,076	645,657,747	143.3%	457,707,000	638,465,076 139%
QUEENS WAREHOUSE Montego Bay	30,580,744	27,005,623	(3,575,121)	-12%	21,855,272	5,150,351 24%
SEABOARD (Freezone) Montego Bay	430,478,459	478,599,723	48,121,264	11%	390,081,833	88,517,891 23%
MOTOR VEHICLE UNIT (KGN)	24,380,282,700	22,453,562,450	(1,926,720,250)	-8%	20,683,343,823	1,770,218,627 9%
MOTOR VEHICLE UNIT (MBJ)	29,194,071	-	(29,194,071)	-100%	-	-
PASSENGER TERMINAL - NMIA	259,670,471	248,612,874	(11,057,597)	-4%	234,890,613	13,722,261 6%
PORT ESQUIVEL	3,449,842	3,380,000	(69,842)	-2%	3,444,090	(64,090) -1.9%
KINGSTON LOGISTICS CENTRE	321,159,350	574,069,160	252,909,810	79%	287,295,307	286,773,854 100%
POST & TELECOM	123,455,795	121,300,509	(2,155,286)	-1.75%	101,949,376	19,351,133 19%
QUEEN'S WAREHOUSE - NMIA	107,274,469	91,045,974	(16,228,494)	-15%	96,912,870	(5,866,895) -6%
QUEEN'S WAREHOUSE 230	154,845,899	229,738,258	74,892,359	48%	150,824,333	78,913,925 52%
ST. ANN'S BAY	2,142,416,382	1,788,801,459	(353,614,923)	-17%	1,560,054,603	228,746,856 14.7%
UNIVERSAL FREIGHT	853,738,087	918,685,919	64,947,832	8%	774,134,388	144,551,531 19%
GROSS COLLECTIONS	212,343,297,074	204,205,641,935	(8,137,655,139)	-4%	176,682,079,938	27,523,561,998 16%
Less Revenue Deposits Paid (RDP)		(14,314,005,567)			(13,772,071,484)	(541,934,082) 4%
Refunds		(2,439,474,164)			(1,641,014,307)	(798,459,856) 49%
NET COLLECTIONS	212,343,297,074	187,452,162,205	(24,891,134,869)	-11.72%	161,268,994,146	26,183,168,059 16%



## Appendix C: Associated Operation Performance

### Figures

Figure C1: Graph Showing Vessels Reported at Sufferance Wharves

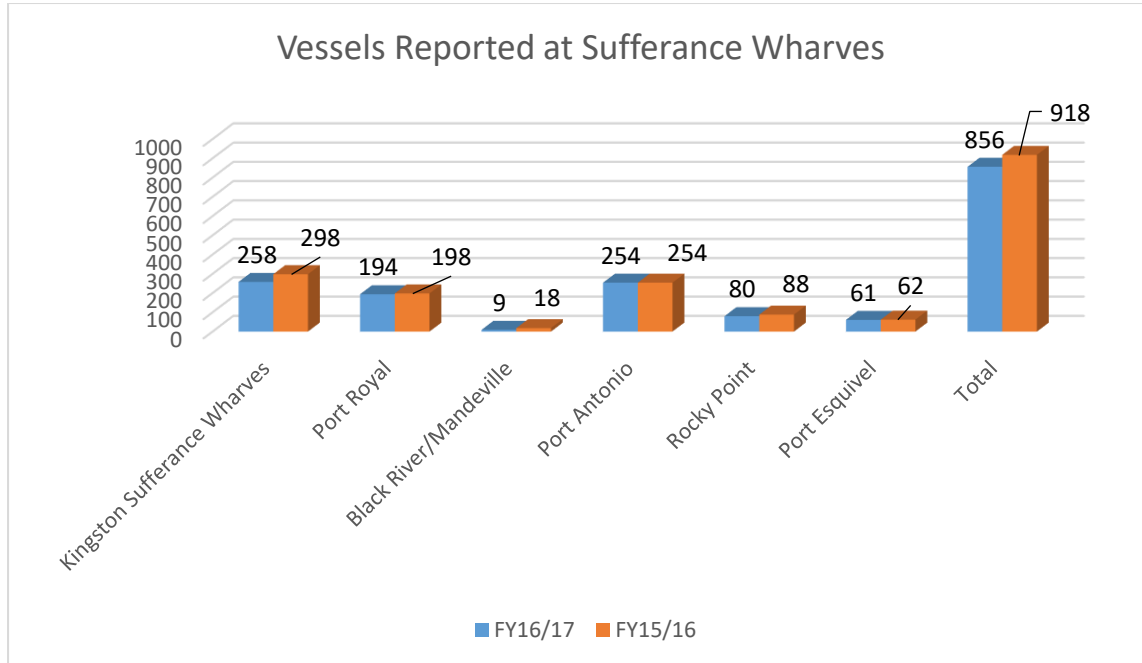
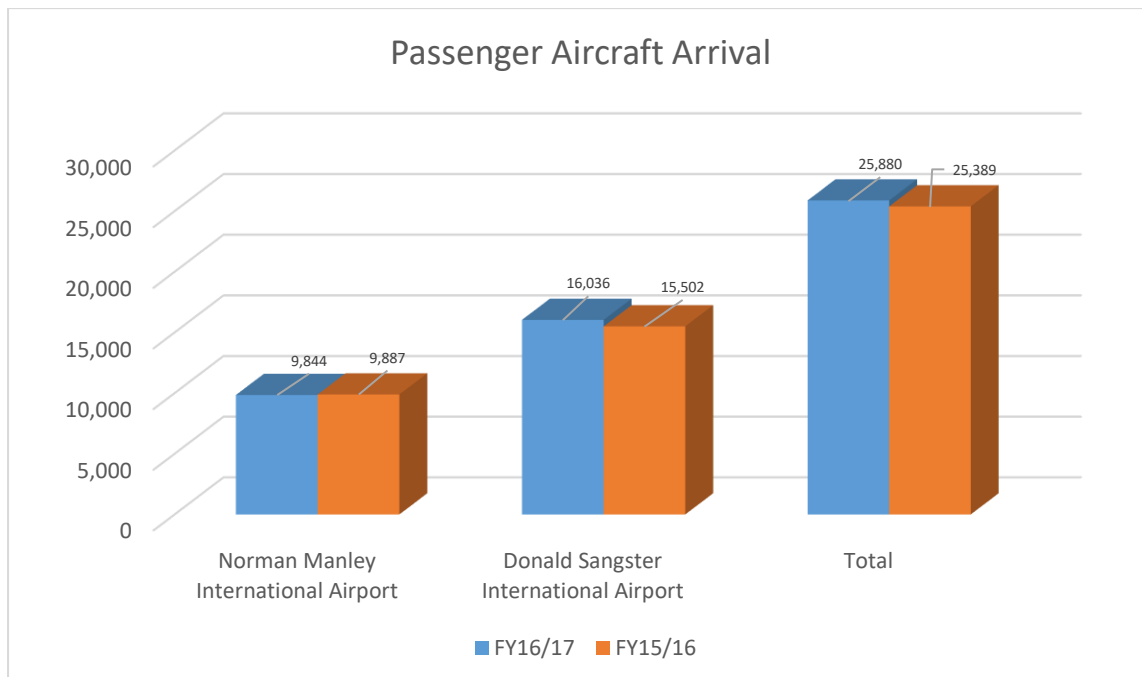
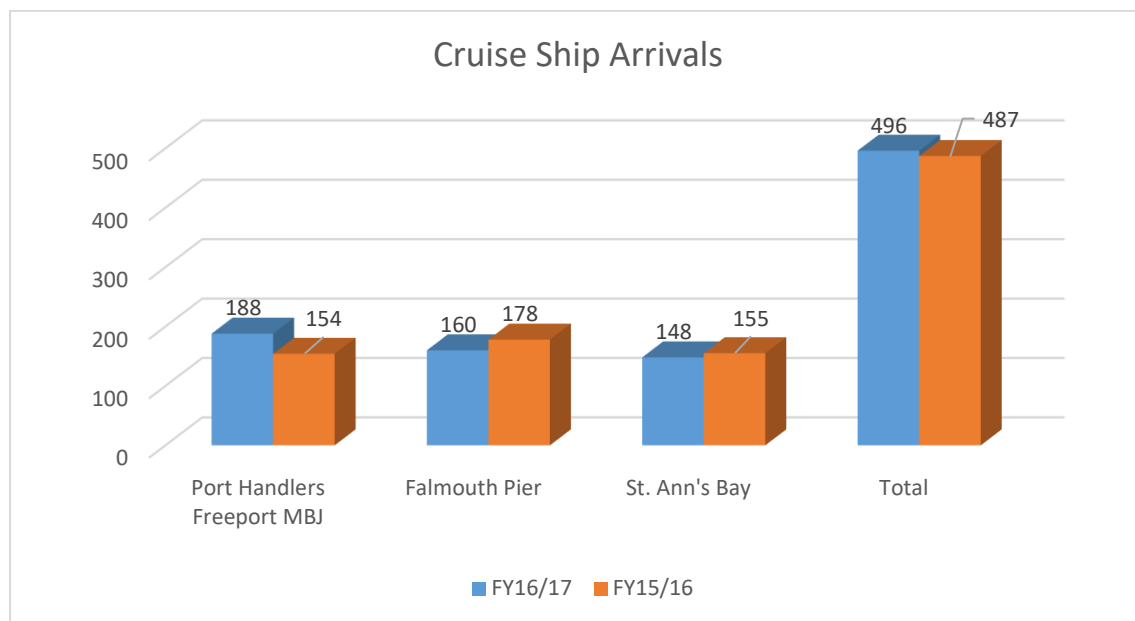


Figure C2: Commercial Passenger Aircraft Arrival by Location



*Figure C3: Cruise Ship Arrivals by Location*

## Tables

*Table C1: Commercial Import Declarations Processed by the Jamaica Customs Agency*

Commercial Import Declarations Processed				
Locations	FY16/17	FY15/16	Variance	% Variance
Kingston	121,660	102,542	19,118	19%
Montego Bay	7,982	13,941	-5,959	-43%
St. Ann's Bay	290	1,152	-862	-75%
<b>Total</b>	<b>129,932</b>	<b>117,635</b>	<b>12,297</b>	<b>10%</b>

Table C2: Non-commercial Import Declarations Processed by the Jamaica Customs Agency

Non-Commercial Import Declarations Processed				
Ports/Warehouses	FY16/17	FY15/16	Variance	% Variance
Adolph Levy	31,464	27,263	4,201	15%
Universal Freight	36,485	24,935	11,550	46%
Berth 11	209	754	- 545	-72%
Kingston Wharves	72,943	46,593	26,350	57%
Passenger Terminal NMIA	12,802	2,171	10,631	490%
Air Cargo NMIA	69,418	58,561	10,857	19%
Queens Warehouse NMIA	485	-	485	100%
Freeport Montego Bay	32,803	19,477	13,326	68%
Seaboard Warehouse Montego Bay	28,399	16,551	11,848	72%
Passenger Control DSIA	6,661	933	5,728	614%
Air Cargo DSIA	8,668	8,779	-111	-1%
CFS Kingston	1,581	306	1,275	417%
Kingston Logistics Centre	20,087	11,579	8,508	73%
Falmouth Pier	2,094	-	2,094	100%
St. Ann's Bay	63	-	63	100%
Queen's Warehouse 230	19	-	19	100%
Freezones (KGN)	6	-	6	100%
Central Sorting Office	1,080	-	1,080	100%
Sufferance Wharves	29	-	29	100%
<b>Total</b>	<b>325,296</b>	<b>217,902</b>	<b>107,394</b>	<b>49%</b>

Table C3: Total Value of Goods Exported by Location Comparison

Locations	Value of Exports in \$Bn FY16/17	Value of Exports in \$Bn FY15/16	Variance	% Variance
Air Cargo DSIA	4.406	2.484	1.922	77%
Air Cargo NMIA	119.37	3.902	115.468	2959%
Marine		50.408		
Operations KGN	48.006		(2.402)	-5%
Marine		0.046		
Operations MBI	0.078		0.032	70%
St. Ann's Bay	11.875	14.893	(3.018)	-20%
Sufferance		20.124		
Wharves	56.014		35.890	178%
<b>Total</b>	<b>239.749</b>	<b>91.857</b>	<b>147.892</b>	<b>161%</b>

*Table C4: Passengers Processed by the Jamaica Customs Agency*

<b>Passengers Processed</b>						
	<b>FY16/17</b>		<b>FY15/16</b>		<b>% Variance</b>	
<b>Ports</b>	<b>Air</b>	<b>Cruise</b>	<b>Air</b>	<b>Cruise</b>	<b>Air</b>	<b>Cruise</b>
Kingston	742,193	NA	735,845	NA	1%	NA
Montego Bay	1,911,974	489,853	1,841,228	457,418	4%	7%
Falmouth Pier	NA	707,888	NA	692,295	NA	2%
St. Ann's Bay	283	463,687	350	449,115	-19%	3%
<b>Total</b>	<b>2,654,450</b>	<b>1,661,428</b>	<b>2,577,423</b>	<b>1,598,828</b>	<b>3%</b>	<b>4%</b>

*Table C5: Documents Processed & Approved by the Returning Residents Unit*

<b>Number of Documents Processed and Approved</b>				
<b>Documents</b>	<b>FY16/17</b>	<b>FY15/16</b>	<b>Variance</b>	<b>% Variance</b>
Firearm Permits	227	170	57	34%
Diplomatic Letters	795	812	-17	-2%
Hotel Incentives Letters	1,305	1,276	29	2%

*Note: Hotel Incentives Letters processed and approved for FY15/16 adjusted from 139 reported prior.*

*Table C6: Public Relations & Customer Service Activities Undertaken*

<b>Activities</b>	<b>Number Completed for FY16/17</b>
Conducted Customer Awareness Sessions/ Site Visits at the various Customs Locations	<ul style="list-style-type: none"> <li>• <b>108</b> sessions and site visits were conducted.</li> </ul>
Managed Customer Service Desk at Modernization Building (Customs House), Norman Manley International Airport, and Sangster International Airport	<ul style="list-style-type: none"> <li>• <b>317</b> Persons were assisted at the Information Desk at the Customs House in Kingston</li> <li>• <b>21,150</b> Persons were assisted at the Norman Manley International Airport (NMIA) Customer Service Desk.</li> <li>• <b>45</b> persons assisted via Quick Response</li> <li>• <b>28,339</b> Persons were assisted Donald Sangster International Airport (DSIA) Customer Service Desk</li> </ul>
Customs Media Forum	<ul style="list-style-type: none"> <li>• <b>1</b> Media Forum Held</li> </ul>
Media Exposure	<ul style="list-style-type: none"> <li>• <b>1,184</b> Instances</li> </ul>
Clearing Customs: Newspaper Feature	<ul style="list-style-type: none"> <li>• <b>5</b> Features</li> </ul>
Broadcast of at least one generic electronic advertisement for national media - Time Signals	<ul style="list-style-type: none"> <li>• <b>624</b> Time Signals</li> </ul>
Organize participation in presentations to select target groups (schools, stakeholder groups)	<ul style="list-style-type: none"> <li>• <b>22</b> Presentations were made</li> </ul>
Queries resolved <= 3days via EMAIL	<ul style="list-style-type: none"> <li>• <b>375</b> Queries</li> </ul>
Telephone enquiries	<ul style="list-style-type: none"> <li>• <b>3,616</b> Enquiries</li> </ul>

Table C7: Reported Tonnage Exported and Imported

Locations	FY16/17	FY15/16	Variance	% Variance
<b>Exportation</b>				
Freeport Montego Bay	3,624.61	15,625	-12,000	-77%
Air Cargo DSIA	5,674.57	5,256.17	418	8%
Air Cargo NMIA	8755.96	8446.88	309	4%
Marine Operations Kingston	1,281,685	765,419	-1,038,901	-45%
Sufferance Wharves	2,201,583.7	2,320,586.4	1,436,165	188%
St. Ann's Bay	3,833,778	4,992,962	-1,159,184	-23%
<b>Total</b>	<b>7,335,102</b>	<b>8,108,295</b>	<b>-773,193</b>	<b>-10%</b>
<b>Importation</b>				
Freeport Montego Bay	315,600.02	245,724	69,876	28%
Air Cargo DSIA	1,061.04	926.37	135	15%
Air Cargo NMIA	6,966.41	7109.36	-143	-2%
Marine Operations Kingston	2,502,912.30	2252328.46	250,584	11%
Sufferance Wharves	3,521,722.78	3907180.09	-385,457	-10%
St. Ann's Bay	163,262.46	205,356	-42,094	-20%
<b>Total</b>	<b>6,511,525</b>	<b>6,618,624</b>	<b>-107,099</b>	<b>-2%</b>

## **Appendix D: Audited Financial Statements**



## AUDITOR GENERAL'S DEPARTMENT



### VISION STATEMENT

*"A Better Country Through Effective  
Audit Scrutiny "*



**Jamaica Customs Agency**  
**Financial Statements**  
**March 31, 2017**

**Jamaica Customs Agency  
Financial Statements  
March 31, 2017**

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ANY REPLY OR SUBSEQUENT REFERENCE  
TO THIS COMMUNICATION SHOULD BE  
ADDRESSED TO THE AUDITOR GENERAL  
AND **NOT TO THE ANY OFFICER NAME**  
AND THE FOLLOWING REFERENCE  
QUOTED:

AUDITOR GENERAL'S DEPARTMENT  
40 KNUITSFORD BOULEVARD  
P.O. BOX 455  
KINGSTON 5  
JAMAICA

Tel. No.: 926-8309/926-5963/926-5846  
Fax Number: 968-4690  
audgen@auditorgeneral.gov.jm.

May 31, 2021

### **INDEPENDENT AUDITOR'S REPORT**

**Mrs. Velma Ricketts Walker**  
**Chief Executive Officer/Commissioner of Customs**  
**Jamaica Customs Agency**  
**Myers' Wharf, Newport East**  
**Kingston 15**  
**Jamaica, W.I.**

#### **Opinion**

I have audited the accompanying Financial Statements of the Jamaica Customs Agency (JCA), set out on pages 1 to 17, which comprise the Statement of Financial Position as at March 31, 2017, Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion except for the effects of the matters described in the Basis for Qualified Opinion section, the Financial Statements give a true and fair view of the financial position of the Jamaica Customs Agency as at March 31, 2017, and of its financial performance, and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

#### **Basis for Qualified Opinion**

I was unable to obtain sufficient appropriate audit evidence about the carrying amount for Property Plant and Equipment valued at \$232.32 in the Statement of Financial Position.

#### **Unsupported fair value measurement of property, plant and equipment and Inventories**

The JCA did not provide reliable measurement data to support the fair value for property, plant and equipment amounting to \$232,324,508 in the Statement of Financial Position and Note 5 of the financial statements. Although, the JCA indicated that the fair value was internally determined, the Agency did not present for review the process undertaken to arrive at the carrying amount and the determinant of the remaining useful life of those assets. Consequently, it is likely that the property, plant and equipment and depreciation charges may be materially misstated and have impacted other components of the financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional scepticism throughout the audit.

I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. The conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

I have communicated with the Agency regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that was identified during the audit.

#### **Report on Additional Requirements from the Executive Agencies' Act**

I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit. In my opinion, proper accounting records have been maintained and the financial statements are in agreement therewith and give the information in a manner so required.



Auditor General of Jamaica



Date



**JAMAICA CUSTOMS AGENCY  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2017**

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	586,822,652	416,539,337
Intangible Assets (Computer Software)	6	13,396,575	14,151,663
		<u>600,219,227</u>	<u>430,691,000</u>
<b>Current Assets</b>			
Cash and cash equivalents	7	5,163,271,500	2,218,033,145
Accounts Receivables	8	520,487,361	360,793,741
Inventories	9	68,102,735	72,455,254
Prepayments and Advances	10	64,643,733	12,716,305
Held for GoJ	11	1,768,101,203	2,470,008,587
<b>Total Current Assets</b>		<u>7,584,606,532</u>	<u>5,134,007,032</u>
<b>LIABILITIES</b>			
Payable - Consolidated Fund	11	1,768,101,203	2,470,008,587
Payables	12	3,244,462,245	1,284,180,934
Employee Benefits	13 a.	840,811,702	668,568,385
<b>Total Current Liabilities</b>		<u>5,853,375,150</u>	<u>4,422,757,906</u>
<b>Net Current Assets</b>		<u>1,731,231,382</u>	<u>711,249,126</u>
<b>Total Net Assets</b>		<u>2,331,450,609</u>	<u>1,141,940,126</u>
<b>Non-Current Liabilities</b>			
Employee Benefits	13 b.	86,518,498	86,518,497
<b>NET ASSETS/EQUITY</b>			
Capital contribution by:			
Capital GOJ	14	455,797,517	455,797,517
Donated Asset Reserve		132,813,490	79,799,569
Revolving Loan Fund	15	100,000,000	100,000,000
Accumulated Surplus		1,556,321,104	419,824,543
		<u>2,244,932,111</u>	<u>1,055,421,629</u>
<b>TOTAL NET ASSETS / EQUITY</b>		<u>2,331,450,609</u>	<u>1,141,940,126</u>

Approved for issue on behalf of the Jamaica Customs Agency on April 26, 2021 and signed on its behalf by:

**Mrs. Velma Ricketts Walker**  
CEO/COMMISSIONER CUSTOMS

**Mrs. Kate Bertram**  
SEN. DIRECTOR FINANCE AND ADMINISTRATION

The accompanying notes on pages 5 to 18 form an integral part of the Financial Statements



**JAMAICA CUSTOMS AGENCY**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR PERIOD ENDED MARCH 31, 2017**

	Notes	2017 \$	2016 \$
<b>Income</b>			
JCA Customs Administrative Fees (CAF)		8,057,376,931	5,715,405,000
<b>Total income</b>		<u>8,057,376,931</u>	<u>5,715,405,000</u>
<b>Expenses</b>			
Staff costs	16	3,870,739,216	3,307,513,972
Goods and services	17	683,898,877	617,941,019
Premises related expenses	18	131,392,077	122,490,954
Depreciation	5,6	103,772,588	76,492,978
Interest and charges	19	997,176,658	627,633,497
Bad Debt		15,105,002	(766,764)
<b>Total operating expenses</b>		<u>5,802,084,418</u>	<u>4,751,305,657</u>
<b>Operating Surplus</b>		2,255,292,513	964,099,343
Loss on Disposal		(1,035,917)	-
Interest Income		403,172	-
Other Income		3,953,624	8,992,742
Donated Asset Amortization		14,379,730	10,430,840
<b>Net surplus</b>		2,272,993,122	983,522,924
GOJ 50% of Net Profits		(1,136,496,561)	(491,761,462)
<b>Net surplus/ (deficit) for the period</b>		<u>1,136,496,561</u>	<u>491,761,462</u>

The accompanying notes on pages 5 to 18 form an integral part of the Financial Statements



**STATEMENT OF CHANGES IN EQUITY  
AS AT MARCH 31, 2017**

	<b>Capital - GoJ Investment</b>	<b>Donated Assets</b>	<b>General Reserve</b>	<b>Revolving Loan Fund</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>		<b>\$</b>
Balance as at 01.04.2016	455,797,517	79,799,569	419,824,543	100,000,000	1,055,421,629
Donated Assets	-	67,393,651	-	-	67,393,651
Amortization of donated assets	-	(14,379,730)	-	-	(14,379,730)
Net Surplus for year	-	-	1,136,496,561	-	1,136,496,561
<b>Balance as at 31.03.2017</b>	<b>455,797,517</b>	<b>132,813,490</b>	<b>1,556,321,104</b>	<b>100,000,000</b>	<b>2,244,932,111</b>

The accompanying notes on pages 5 to 18 form an integral part of the Financial Statements



**JAMAICA CUSTOMS AGENCY  
STATEMENT OF CASHFLOW  
AS AT MARCH 31, 2017**

	2017	2016
	\$	\$
<b>Surplus before GoJ Financing</b>	2,272,993,122	983,522,924
<b>50% Payable to GoJ</b>	(1,136,496,561)	(491,761,462)
	1,136,496,561	491,761,462
<b>Non-Cash Movements</b>		
Amortization of donated assets	(14,379,730)	(10,430,840)
Depreciation and Amortization	103,772,588	76,492,978
Loss on Disposal	1,035,917	-
(Increase)/Decrease in Receivables	(211,621,048)	24,213,181
Decrease in Inventory	4,352,519	21,858,655
Increase in Current Liabilities	1,960,281,310	1,165,141,153
Increase in Employee Benefits	172,243,319	262,209,619
<b>Net Cash flow from operating activities</b>	<b>3,152,181,436</b>	<b>2,031,246,208</b>
<b>Cash flow from Investing Activities</b>		
Capital Expenditure	(276,228,732)	(177,202,414)
Proceeds from sale of Assets	1,892,000	-
<b>Net Cash Flow from Investing Activities</b>	<b>(274,336,732)</b>	<b>(177,202,414)</b>
<b>Cash Flows from Financing Activities</b>		
Donated Assets	67,393,651	54,577,268
<b>Net Cashflow from financing activities</b>	<b>67,393,651</b>	<b>54,577,268</b>
Net Increase in cash and cash equivalent	2,945,238,355	1,908,621,062
Cash and cash equivalents at beginning of period	2,218,003,145	309,412,083
<b>Cash and cash equivalents at end of period</b>	<b>5,163,241,500</b>	<b>2,218,033,145</b>

The accompanying notes on pages 5 to 18 form an integral part of the Financial Statements





**JAMAICA CUSTOMS AGENCY**  
**Notes to the Financial Statements**  
**For period ended March 31, 2017**

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**1. Status and Principal Activity**

The Jamaica Customs Agency (JCA) became a “Model B” Executive Agency on April 1, 2013. The Agency falls under the Tax Management Programme, of the Ministry of Finance and Planning, which has a mandate to provide advice on Tax Policy and create a tax regime that is equitable, supports economic growth and optimize tax revenue collection. The JCA has diverse responsibilities that span areas such as trade facilitation, border protection and revenue collection. The Agency operates island wide at all port of entry and oversees all importing and exporting of goods subject to customs inspection. The JCA is a principal contributor to the Government funding and is responsible for collecting approximately thirty-five percent (35%) of the national tax revenue annually.

**2. Statement of Compliance and Basis Preparation**

**i. Statement of Compliance**

The financial statements have been prepared in accordance with the requirements of the Financial Instructions to Executive Agencies (FIEA). These instructions require the application of Jamaica Generally Accepted Accounting Principles (GAAP), which is based on International Public Sector Accounting Standards (IPSAS). IPSAS's are developed by the International Federation OF Accountants' International Public Sector Accounting Standard Board (IPSASB). The IPSAS Board is an independent board of the International Federation of the Accountants. IPSAS's are based on International Financial Reporting Standards (IFRS).

IPSAS deals with public sector reporting issues that are not addressed by IFRSs. The preparation of the financial statements to conform with IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the balance sheet date and the revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known.

**ii. Basis of preparation**

The Financial Statements are prepared under the historical cost convention, and are presented in Jamaican Dollars (\$), which is the reporting currency of the Agency.

**3. Significant accounting policies**

**i. Cash and cash equivalents**

Cash and cash equivalent are carried in the statement of financial position at fair value. For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank, in hand, and deposits.



**JAMAICA CUSTOMS AGENCY**  
**Notes to the Financial Statements**  
**For period ended March 31, 2017**

**3. Significant accounting policies (Cont'd)**

**ii. Receivables**

Trade receivables are carried at original invoice amounts less provision made for impairment losses. A provision for impairment is established when there is objective evidence that the Agency will not be able to collect all amounts due according to the original terms of the receivables.

**iii. Accounts payable and accrued charges**

Accounts payables are carried at cost for the supply of goods and services and accruals are based on fair estimates of liabilities at the end of the financial year. The amounts are payable within one year.

**iv. Inventories**

This represents stationery, drugs and medication, uniform supplies, warlike stores electrical and construction, auto parts and spares, general stores, computer peripherals and stores. The historical cost of the inventories is accounted for by using the weighted average cost method.

**v. Property, Plant and Equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Agency and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

Depreciation on assets, is calculated on the straight-line basis over the period of their expected useful lives. The depreciation rates are as follows:

Furniture, Fixtures and Fittings	10%
Office Equipment	10%
Computer Software	33 1/3 %
Computers Hardware	20%
Motor Vehicles	20%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and renewals are charged to the profit and loss account when the expenditure is incurred.



**JAMAICA CUSTOMS AGENCY**  
**Notes to the Financial Statements**  
**For period ended March 31, 2017**

**3. Significant accounting policies (Cont'd)**

**vi. Employee benefits**

Employee benefits that are earned as a result of past or current service are recognized as follows:

**a. General benefits**

A provision is made for the estimated liability for untaken annual leave entitlements, for employees, that are not taken as at the date of the financial position. The expected cost of vacation leave that accumulates is recognized when the employee has taken the leave.

**b. Post-retirement benefits**

The Agency participates in a Defined Contribution Pension Scheme for its employees which are administered by NCB Insurance Company Limited. The fund was established in the financial year ended 2003 and is funded by contributions from employees and employer. The employees contribute at a mandatory rate of 5%; while the Agency makes a matching contribution. The Agency contributes 7.5% for employees who have attained five (5) years but less than ten (10) years enrollment in the scheme and 10% for employees who are enrolled for ten (10) years and over. The Agency's net liability in respect of the defined contribution plan is recognized only if the contribution paid during the year is less than the contribution required.

**vii. Provisions**

Provisions are recognized when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**viii. Financial Instruments**

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The Agency's financial instruments as at March 31, 2017 were receivables and payables.

**ix. Revenue recognition**

Revenue is fees earned and is measured at the fair value of the consideration received or receivable. Revenue for JCA is recognized in the income statement when the significant risk and rewards of ownership have been transferred to the importer, recovery of the consideration is probable and the associated costs and possible return of monies collected can be estimated reliably and there is no continuing management involvement with the services. Revenue is derived from Customs Administration Fees.

Deferred income is a liability as at the balance sheet date related to application fees for which revenue has not yet been recognized.

Subvention/GOJ financing is recognized when it is received, and interest income is recognized in the income statement for all interest-bearing instruments on an accrual basis unless collectability is doubtful.



**JAMAICA CUSTOMS AGENCY**  
**Notes to the Financial Statements**  
**For period ended March 31, 2017**

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**3. Significant accounting policies (Cont'd)**

**x. Taxation**

No provision has been made for taxation as the Agency is exempted from income tax as per section 12 (b) of the Income Tax Act.

**xi. Intangible assets**

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortized over its estimated life of three years using the straight-line method. If there is an indication that there has been a significant change in amortization rate, useful life or residual value of an intangible asset, the amortization is revised prospectively to reflect the new expectations.

**xii. Impairment of assets**

At each reporting date, property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recovered immediately in the profit and loss account.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying value of each item of inventory or group of similar items with its selling price less cost to complete and sell. If an item of inventory or group of similar items is impaired, its carrying amount is reduced to selling price less costs to complete and sell and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset or group of similar items is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories) but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**4. Financial Risk Management**

The Agency's activities expose it to a variety of financial risk: market risks (including currency risk and price risk), credit risk, liquidity risk, interest rate risk and operational risk. The Agency's overall risk management policies are established to identify and analyze risk exposure and to set appropriate risk limits and controls and to monitor risk and adherence limits.

The risk management framework is based on guidelines set by management and seeks to minimize potential adverse effects on the Agency's financial performance.



**JAMAICA CUSTOMS AGENCY**  
**Notes to the Financial Statements**  
**For period ended March 31, 2017**

**4. Financial risk management (Cont'd)**

**a. Market risk**

The Agency takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Agency's exposure to market risks or the manner in which it manages and measures the risk.

**i. Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange. Gains and losses arising from fluctuations in the exchange rates are dealt with in the profit and loss account.

**ii. Interest rate risk**

Interest rate risk is the risk that the interest earned on interest bearing bank account balances will fluctuate due to changes in market interest rate. The Agency's interest rate risk arises from deposits as follows:

**b. Liquidity risk**

Liquidity risk is the risk that an organization will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The Agency commitments associated with financial instruments are detailed below.

The risk is managed by maintaining sufficient cash and cash equivalent balances.

	<b>March 31, 2017</b>			
	Carrying Amount	Contract Amount	3 Months to 1 Year	Over 1 Year
Financial liabilities				
Trade and other payable	3,244,462,245	3,244,462,245	3,244,462,245	-
Employee benefits	840,811,702	840,811,702	840,811,702	-
Payables – Consolidated Fund	1,768,101,203	1,768,101,203	1,768,101,203	-
	<u>5,853,375,150</u>	<u>5,853,375,150</u>	<u>5,853,375,150</u>	<u>-</u>
Employee benefits	86,518,498	86,518,498	-	86,518,498
	<u>5,939,893,648</u>	<u>5,939,893,648</u>	<u>5,853,375,149</u>	<u>86,518,498</u>



**JAMAICA CUSTOMS AGENCY**  
**Notes to the Financial Statements**  
**For period ended March 31, 2017**

**4. Financial risk management (Cont'd)**  
**Liquidity Risk (Cont'd)**

Financial liabilities	<u>March 31, 2016</u>			
	Carrying Amount	Contract Amount	3 Months to 1 Year	Over 1 Year
Trade and other payable	1,284,180,934	1,284,180,934	1,284,180,934	-
Employee benefits	668,568,385	668,568,385	-	668,568,385
Payables – Consolidated Fund	2,470,008,587	2,470,008,587	2,470,008,587	-
	<u>4,422,757,906</u>	<u>4,422,757,906</u>	<u>3,754,189,521</u>	<u>668,568,385</u>
Employee benefits	86,518,497	86,518,497	-	86,518,497
	<u>4,509,276,403</u>	<u>4,509,276,403</u>	<u>3,754,189,521</u>	<u>755,086,882</u>

**c. Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Agency has limited concentrations on credit risk. Credit transactions are limited to high credit quality financial institutions and customers with good creditworthiness.



**JAMAICA CUSTOMS AGENCY**  
**Notes to the Financial Statements**  
**For period ended March 31, 2017**

**5. Property, plant and equipment**

	<b>Motor Vehicles</b>	<b>Equipment and Furniture</b>	<b>Computer Hardware</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>At Cost/Valuation</u></b>				
At Cost/Valuation-April1,2016	132,782,608	345,808,398	92,659,946	571,250,952
Additions 2017	63,139,306	138,035,045	65,362,838	266,537,189
Disposals 2017	(4,730,000)	(1,291,770)	(721,788)	(6,743,558)
	<b>191,191,914</b>	<b>482,551,673</b>	<b>157,300,996</b>	<b>831,044,583</b>
<b><u>Depreciation</u></b>				
1-Apr-16	61,732,164	58,681,636	34,297,815	154,711,615
Charges for the year	35,255,355	38,288,475	19,782,127	93,325,957
Disposals 2017	(2,838,000)	(452,693)	(524,948)	(3,815,641)
<b>Total Depreciation</b>	<b>94,149,519</b>	<b>96,517,418</b>	<b>53,554,994</b>	<b>244,221,931</b>
<b>Net Book Value - March 31, 2017</b>	<b>97,042,395</b>	<b>386,034,256</b>	<b>103,746,001</b>	<b>586,822,652</b>
<b>Net Book Value - March 31, 2016</b>	<b>71,050,444</b>	<b>287,126,762</b>	<b>58,362,131</b>	<b>416,539,337</b>

**6. Intangible Assets**

**At Cost/Valuation**

1-Apr-16	28,053,638
Additions	9,691,543
	<b>37,745,181</b>

**Amortization**

1-Apr-16	13,901,975
Charge	10,446,631
<b>Total Amortization</b>	<b>24,348,606</b>
<b>Net Book Value -March 31, 2017</b>	<b>13,396,575</b>
<b>Net Book Value -March 31, 2016</b>	<b>14,151,663</b>



**JAMAICA CUSTOMS AGENCY**  
**Notes to the Financial Statements**  
**For period ended March 31, 2017**

**7. Cash and cash equivalents**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Cash at Bank:</b>		
Operating Bank Account	4,820,187,202	2,034,014,220
Payroll Bank Account	55,314,083	1,674,627
Deposit Bank Account	8,061,076	8,146,160
AIA Bank Account	209,853,416	74,198,340
Revolving Loan Account	69,855,723	99,999,798
	<u><b>5,163,271,500</b></u>	<u><b>2,218,033,145</b></u>

**8. Accounts receivable**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Receivables	274,457,121	298,323,644
Other Receivables	276,068,050	77,402,905
	550,525,171	375,726,549
Provision for Doubtful debt	(30,037,809)	(14,932,808)
	<u><b>520,487,361</b></u>	<u><b>360,793,741</b></u>

**9. Inventories**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Auto Parts and Spare	89,907	60,971
Computer and Peripherals	15,623,415	14,539,134
Drugs and Medication	2,173,230	1,182,588
Electrical and Construction	95,249	74,619
General Stores	14,190,788	5,718,427
Stationery	26,763,978	32,925,755
Uniform Supplies	8,837,342	17,918,168
Warlike Stores	328,826	35,592
	<u><b>68,102,735</b></u>	<u><b>72,455,254</b></u>





**JAMAICA CUSTOMS AGENCY**  
**Notes to the Financial Statements**  
**For period ended March 31, 2017**

**10. Prepayments and Advances**

	2017	2016
	\$	\$
Deposit	505,361	248,285
Prepayments	26,510,857	8,461,913
Advances Employees	4,583,137	648,701
Clearing Accounts	(200,667)	360,343
Staff Overpayment Recovery	2,562,719	2,812,063
Staff Loan	30,682,326	185,000
	<u>64,643,733</u>	<u>12,716,305</u>

**11. Held for GOJ**

	2017	2016
	\$	\$
Deposits from Importers	1,607,979,116	2,361,459,919
Deposits from Passengers (Airport)	22,620,352	-
Reversible Miscellaneous Revenue	2,591,218	2,580,759
Stale dated cheques	112,250,637	91,399,303
Warehouse Fees Recoverable (i)	22,659,880	14,568,606
	<u>1,768,101,203</u>	<u>2,470,008,587</u>
This is comprised of:		
Cash at Bank	311,719,746	799,432,307
Dishonoured Cheques	703,001	-
Bank Charges	71,987,950	-
Cashier Shortages	14,541,129	-
Warehouse Recoverable	22,659,880	-
Receivables & Advance	1,346,489,497	1,670,576,280
	<u>1,768,101,203</u>	<u>2,470,008,587</u>

- i. This represents amount receivable from bonded warehouses for salary reimbursement payable to the Accountant General's Department.

**12. Accounts payable**

	2017	2016
	\$	\$
Accounts payable	405,903,192	146,218,283
Payable - Accountant General	2,838,559,053	1,137,962,651
	<u>3,244,462,245</u>	<u>1,284,180,934</u>



**JAMAICA CUSTOMS AGENCY**  
**Notes to the Financial Statements**  
**For period ended March 31, 2017**

**13. Employee benefits**

A provision is made for the estimated liability for untaken annual vacation leave and gratuity due as a result of services rendered by employees up to the date of the statement of financial position.

	2017	2016
	\$	\$
<b><u>a. Current liabilities</u></b>		
Staff Related:		
Accrued Crown Overtime	35,844,986	34,256,350
Accrued Private Overtime	214,771,931	159,229,076
Accrued Travel Expenses	104,497,047	103,445,049
Accrued vacation leave	325,244,539	272,989,956
Accrued Net payroll Expenses	8,528,648	-
Staff Related Provisions (Meal Allowance)	98,525,050	98,525,050
Provision for Gratuity	53,416,540	-
Statutory Payable	(17,039)	122,903
	<u>840,811,702</u>	<u>668,568,385</u>
<b><u>b. Non-Current liabilities</u></b>		
Provision for Gratuity	<u>86,518,498</u>	<u>86,518,497</u>
	<u>86,518,498</u>	<u>86,518,497</u>

**14. GOJ Investment**

These amounts represent initial notional loans received from the Government of Jamaica in the form of capital assets retained by the Agency as at April 1, 2013. This was converted into equity as prescribed by the GOJ's Policy.

	2017	2016
	\$	\$
Inventory	67,326,204	67,326,204
Fixed Assets	232,324,508	232,324,508
Accounts payable	(125,534,871)	(125,534,871)
Accounts receivable	245,366,306	245,366,306
Cash and Bank	46,115,266	46,115,266
Inventory write-off	(9,799,896)	(9,799,896)
Total Net Assets	<u>455,797,517</u>	<u>455,797,517</u>



**JAMAICA CUSTOMS AGENCY**  
**Notes to the Financial Statements**  
**For period ended March 31, 2017**

**15. Staff Revolving Loan Scheme**

The staff revolving loan was approved by the Ministry of Finance in March 2016, for the purposes of a motor vehicle and personal loans facility for the employees of the Jamaica Customs Agency.

	2017	2016
	\$	\$
Staff Revolving Loan Scheme	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>

**16. Staff Costs**

**(i) Staff Cost**

	2017	2016
	\$	\$
Gratuity	83,311,747	70,207,666
Salaries	2,878,744,260	2,467,148,163
Travelling Expenses	892,861,123	760,956,912
Tuition Refund	15,822,086	9,201,231
	<u>3,870,739,216</u>	<u>3,307,513,972</u>

**(ii) Salary range**

These details include relevant information relating to employees receiving gross emoluments of over Two Million Dollars per annum. These fall within the following ranges:

<u>Salary Range (\$)</u>	<u>Number of employees</u>
2,000,000.00 – 2,250,000.00	96
2,250,000.00 – 2,500,000.00	59
2,500,000.00 – 2,750,000.00	5
2,750,000.00 – 3,000,000.00	53
3,000,000.00 – 3,250,000.00	0
3,250,000.00 – 3,500,000.00	1
3,500,000.00 – 3,750,000.00	25
3,750,000.00 – 4,000,000.00	9
4,000,000.00 – 5,000,000.00	11
5,000,000.00 – 6,000,000.00	5
6,000,000.00 – 7,000,000.00	0
7,000,000.00 – 8,000,000.00	1
<b>Total</b>	<u>265</u>



**JAMAICA CUSTOMS AGENCY**  
**Notes to the Financial Statements**  
**For period ended March 31, 2017**

**Staff costs (cont'd)**

**(iii) Remuneration of key management personal**

Position	Salary	Gratuity (Provisions )	Travelling allowance	Other Allowanc es	Total 2017
	\$	\$	\$	\$	\$
Chief Executive Officer (CEO)/Commissioner of Customs	8,361,084	2,090,271	-	2,000,000	12,451,355
Deputy CEO – Operations	5,826,857	1,456,714	1,341,624	-	8,625,195
Deputy CEO – Border Protection	5,988,714	1,497,179	1,341,624	-	8,827,517
Consultant	5,290,000	1,322,500	1,341,624	-	7,954,124
Senior Director -Executive Services	4,881,406	1,220,352	1,341,624	-	7,443,382
Senior Director - Human Resource Management and Development	4,881,406	1,220,352	1,341,624	-	7,443,382
Senior Director - Legal Affairs	4,624,490	1,156,123	1,341,624	327,835	7,450,072
Senior Director - Finance and Administration	5,395,238	1,348,810	1,341,624	-	8,085,672
Senior Director - Central Operations	4,624,490	1,156,123	1,341,624	-	7,122,237
Senior Director - Kingston Operations	4,496,032	1,124,008	1,341,624	-	6,961,664
Senior Director - Western and Montego Bay Operations	4,496,032	1,124,008	1,341,624	-	6,961,664
Director - Contraband Enforcement Team	4,496,032	1,124,008	1,341,624	-	6,961,664
Senior Director, Trade Facilitation & Special Projects	4,496,032	1,124,008	-	-	5,620,040
Chief Information Officer	4,752,947	1,188,237	1,341,624	-	7,282,808
Chief Internal Auditor	4,496,032	1,124,008	1,341,624	-	6,961,664
Senior Director International and Industry Liaison	4,496,032	1,124,008	1,341,624	-	6,961,664
<b>Total</b>	<b>81,602,824</b>	<b>20,400,709</b>	<b>18,782,736</b>	<b>2,327,835</b>	<b>123,114,104</b>

**JAMAICA CUSTOMS AGENCY****Notes to the Financial Statements****For period ended March 31, 2017****Key performance indicators (KPI)**

At the date of the financial position the KPI for the financial year was not reviewed by the Chief Internal Auditor for inclusion in the financial statements. However, the KPI will be included in the Agency's Annual Report.

**17. Goods and Services**

	2017	2016
	\$	\$
Computer Supplies and Accessories	23,635,830	8,687,647
Food and Drink	15,302,881	18,397,997
General Consumption Tax	198,262,764	149,324,492
Guard and Courier Services	85,112,108	83,979,286
Insurance	4,770,307	1,636,424
Janitorial and Pest Control	27,589,522	14,995,918
Motor Vehicle Expense	33,636,383	47,010,365
Other Operating Expenses	103,779,373	98,323,298
Repairs and Maintenance	110,041,890	88,974,112
Computer Hardware and Software Maintenance	26,129,699	29,475,088
Stationery, Office and Other Supplies	36,697,939	67,901,254
Tuition, Seminar and Training	18,940,181	9,235,138
<b>Grand Total</b>	<b><u>683,898,877</u></b>	<b><u>617,941,019</u></b>

**18. Premises Related Expenses**

	2017	2016
	\$	\$
Building	17,481,842	11,822,226
Cellular Telephone	8,769,669	8,264,745
Electricity	59,239,971	71,035,802
Internet	2,843,544	2,241,169
Land Line	15,747,081	15,864,419
Rental of Other Machinery/Equipment/Tools etc.	619,594	1,703,546
Rental of Other Property, Machinery and Equipment	58,433	220,334
Rental of Parking Spaces	3,456,114	2,592,498
Water	23,175,829	8,746,215
	<b><u>131,392,077</u></b>	<b><u>122,490,954</u></b>

**19. Interest and Charges**

	2017	2016
	\$	\$
Bank Charges	28,527,836	21,517,640
Merchant Fees and Bank Charges (GoJ Bank Accounts)	968,648,822	606,115,857
	<b><u>997,176,658</u></b>	<b><u>627,633,497</u></b>

Interest and charges relate to fees and other charges incurred for merchant fees and commercial bank services.



**JAMAICA CUSTOMS AGENCY**  
**Statement of Receipts and Payments to the Consolidated Fund**  
**For period ended March 31, 2017**

	2017	2016
	\$	\$
General Consumption Tax - Import	73,869,626,223	66,609,472,463
Special Consumption Tax (SCT) - Import	46,500,496,259	37,420,615,735
Import Duty	35,711,284,264	29,840,278,676
Customs Administrative Fees	13,393,826,061	12,752,116,099
Travel Tax	8,615,556,320	4,676,828,223
Air Passenger Levy (APL)	5,953,290,383	5,480,392,393
Environmental Levy	2,825,389,433	2,638,893,858
Stamp Duty	2,269,251,015	2,015,976,078
Standard compliance fees	909,553,554	809,354,766
Excise	81,908	40,138
Receipts from sale of seized items	143,283,081	167,481,885
Penalty payments for breach of customs act and regulation	151,786,998	107,710,858
Diary Development Cess	75,304,555	78,792,596
Miscellaneous receipts	353,454,803	11,405,763
Tourist shop operational	22,141,562	22,614,693
Tourist shop receipts	26,160,871	14,065,056
Warehouse fees	9,390,025	8,457,136
Customs Broker License	3,515,000	5,181,685
	<b>190,833,392,314</b>	<b>162,659,678,099</b>
Less: Refunds to customers	(2,426,036,072)	(1,332,859,726)
	<b>188,407,356,242</b>	<b>161,326,818,373</b>
<b>Less : Amount remitted to Government Agencies</b>		
Consolidated Fund liability	172,226,380,388	145,040,891,228
Dairy Development Board	67,597,391	85,744,318
Jamaica National Agency for accreditation - 10% SCF	78,680,862	84,979,377
Accountant General Miscellaneous Revenue	306,572,971	200,245,068
National Health Fund - 5% special consumption tax tobacco	1,079,934,891	1,255,264,542
Bureau of Standards - 90% SCF liability	708,487,760	764,814,389
National Health Fund - Special Consumption Tax tobacco	1,099,789,068	1,085,640,670
Commissioner of Customs - CAF	7,825,520,042	5,715,405,000
Accountant General CAF	4,765,905,629	6,834,859,324
Total payments to Government Agencies and refunds	<b>188,158,869,003</b>	<b>161,067,843,916</b>
Overpayment	(248,487,239)	(258,974,457)
Dishonoured Cheques	703,001	3,287,965
Cashier Shortages	14,541,129	13,367,302
Bank Charges	71,987,950	44,375,671
Net Cash Outflow at the end of the period	<b>(161,255,160)</b>	<b>(197,943,519)</b>
Bonded Warehouse Recoverable	22,659,880	14,568,606
Receivables and Advances	1,594,976,736	1,848,730,575
Doubtful Debt	-	5,220,618
Cash at bank	311,719,746	797,958,898
	<b>1,768,101,203</b>	<b>2,470,008,587</b>



**JAMAICA CUSTOMS AGENCY**  
**Statement of Internal Control**  
**For period ended March 31, 2017**

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In accordance with the Financial Instructions to Executive Agencies, the Jamaica Customs Agency has adopted a system of internal control to embrace:

- **Financial and Operational Control Systems and Procedures.** This includes the physical safeguard of assets, segregation of duties, restricted access, authorization and approval, adherence to policies and procedures and information systems controls.

The Agency utilizes ACCPAC as its Financial Management System and commenced the preparation of its accounts using accrual-based accounting on April 1, 2013. Continuous emphasis is placed on a guideline which dictates that each staff member must adhere to the policies and procedures in place as any deviation would result in disciplinary actions being taken. The systems require password access and there exist restricted access to pertinent data. Also, physical access by staff is restricted in areas such as the vaults, cashier areas and other areas of operations.

- **The existence of Management Controls.** This is done through the setting of objectives, effective monitoring of financial and non-financial performance indicators, the assessment of changing circumstances for those that impact on the Agency and the application of measures to correct circumstances that prevent targets from not being achieved.

The Agency's Corporate Planning exercise commences with a set of strategic guidance provided by the Chief Executive Officer. During the exercise the previous year's performance is assessed, the strategic plans and justification for budgetary requirements are presented by the relevant Senior Directors. These are evaluated and where applicable approved.

There exist timely management reports to include comprehensive reporting on all Key Performance Indicators and targets. Additionally, the monitoring of all contracts is done to ensure that value for money is achieved is an ongoing exercise.

The Agency's Human Resource function is audited by the Chief Personnel Officer who conducts review of the Agency's establishment, organization chart, job selection procedures, training and development and also provides human resource advice.

The Executive Agency Monitoring Unit ensures that proper standards and procedures are being followed by the Agency. It supports and ensure that the Agency's financial framework is in place with respect to accountability, transparency, control and improved performance.

The Financial Secretary convenes weekly review meetings to assess the Agency's performance and provide feedback on policy issues that arises.

The Agency's Advisory Board is chaired by an external person and includes other external persons who are appointed based on their professional expertise. Meetings are convened monthly to review the Agency's performance and the board offers advice to the Chief Executive Officer.

- **Internal Audit Review** - The Internal Audit function is an integral part of the management of the Agency that reviews and makes recommendations for implementation. The Chief Internal Auditor at all times remains independent. All internal weaknesses and discrepancies identified are reported and the necessary measures put in place to correct each. Quarterly reports are prepared and submitted to the Chief Executive Officer and the Audit Committee.



**JAMAICA CUSTOMS AGENCY**  
**Statement of Internal Control**  
**For period ended March 31, 2017**

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- **Audit Committee Review** - The Audit Committee which includes independent members reviews the report submitted by the Internal Auditor and provides independent advice to the Management of the Agency on internal control issues.



**AUDITOR GENERAL'S DEPARTMENT OF JAMAICA**



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### Appendix E: Advisory Board Members and Senior Executive Compensation

Table E1: Stipend Paid to Members of the Jamaica Customs Agency Advisory Board 2016-2017

JAMAICA CUSTOMS AGENCY					
ADVISORY BOARD FEES PAID					
APRIL 2016 - MARCH 2017					
Name and Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Mr. Warren McDonald - Chairperson	\$ 11,000.00	-	-	-	\$ 11,000.00
Mr. Danville Walker - New Chairperson	\$ 99,000.00	-	-	-	\$ 99,000.00
Mr. Kim Clark - Member	\$ 30,000.00	-	-	-	\$ 30,000.00
Mrs. Jacqueline Cole-Ricketts - Member	\$ 6,000.00	-	-	-	\$ 6,000.00
Mrs. Audrey Sewell - Member	\$ 6,000.00	-	-	-	\$ 6,000.00
Dr. Eric Deans-Member	\$ 6,000.00	-	-	-	\$ 6,000.00
Mr. Sandor Pike - Member	\$ 6,000.00	-	-	-	\$ 6,000.00
Ms. Shauna Trowers - Member	\$ 42,000.00	-	-	-	\$ 42,000.00
Mrs. Marcia Bent-Ferguson- Member	\$ 48,000.00	-	-	-	\$ 48,000.00
Mr. Charles Johnston - Member	\$ 48,000.00	-	-	-	\$ 48,000.00
Mr. Paul East - Member	\$ 36,000.00	-	-	-	\$ 36,000.00
Mr. Junior Waugh - Member	\$ 48,000.00	-	-	-	\$ 48,000.00
Major Ret'd Richard Reese - CEO/Commissioner	\$ -	-	-	-	\$ -
<b>TOTAL</b>	<b>\$ 386,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 386,000.00</b>

Table E2: Compensation Received by Jamaica Customs Agency Senior Executive Staff 2016-2017

**JAMAICA CUSTOMS AGENCY**  
**SENIOR EXECUTIVE COMPENSATION**

**APRIL 2016 - MARCH 2017**

Name and Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Major (Ret'd). Richard Reese - CEO/Commissioner of Customs	FY2016/17	\$8,361,084.00	\$2,090,271.00	-	-	\$2,000,000.00	-	\$12,451,355.00
Mrs. Carlene Henry - Deputy CEO, Operations	FY2016/17	\$5,826,857.00	\$1,456,714.00	\$1,341,624.00	-	-	-	\$8,625,195.00
Mr. Alwyn Nicely- Deputy CEO, Border Protection	FY2016/17	\$5,988,714.00	\$1,497,179.00	\$1,341,624.00	-	-	-	\$8,827,517.00
Mr. Clyde Thompson - Consultant	FY2016/17	\$5,290,000.00	\$1,322,500.00	\$1,341,624.00	-	-	-	\$7,954,124.00
Mrs. Patricia Wiggan-Chambers - Senior Director, Executive Services	FY2016/17	\$4,881,406.00	\$1,220,352.00	\$1,341,624.00	-	-	-	\$7,443,382.00
Ms. Jessica Belle - Senior Director, Human Resource Management and Development	FY2016/17	\$4,881,406.00	\$1,220,352.00	\$1,341,624.00	-	-	-	\$7,443,382.00
Ms. Hazel Edwards - Senior Director, Legal Affairs	FY2016/17	\$4,624,490.00	\$1,156,123.00	\$1,341,624.00	-	\$327,835.00	-	\$7,450,072.00
Mrs. Kate Bertram - Senior Director, Finance and Administration	FY2016/17	\$5,395,238.00	\$1,348,810.00	\$1,341,624.00	-	-	-	\$8,085,672.00
Mr. Marlon Lowe - Senior Director, Central Operations	FY2016/17	\$4,624,490.00	\$1,156,123.00	\$1,341,624.00	-	-	-	\$7,122,237.00
Mrs. Selina Clarke - Graham- Senior Director, Kingston Operations	FY2016/17	\$4,496,032.00	\$1,124,008.00	\$1,341,624.00	-	-	-	\$6,961,664.00
Ms. Claudette Coombs - Senior Director, Western Operations	FY2016/17	\$4,496,032.00	\$1,124,008.00	\$1,341,624.00	-	-	-	\$6,961,664.00
Mr. Albert Anderson - Director Contraband Enforcement Team	FY2016/17	\$4,496,032.00	\$1,124,008.00	\$1,341,624.00	-	-	-	\$6,961,664.00
Mr. Kirk Benjamin - Senior Director, Trade Facilitation & Special Projects	FY2016/17	\$4,496,032.00	\$1,124,008.00	-	-	-	-	\$5,620,040.00
Mr. Andre Williams - Chief Information Officer	FY2016/17	\$4,752,947.00	\$1,188,237.00	\$1,341,624.00	-	-	-	\$7,282,808.00
Ms. Michelle Chambers - Chief Internal Auditor	FY2016/17	\$4,496,032.00	\$1,124,008.00	\$1,341,624.00	-	-	-	\$6,961,664.00
Ms. Shandilayne Davis - Senior Director, International and Industry Liaison	FY2016/17	\$4,496,032.00	\$1,124,008.00	\$1,341,624.00	-	-	-	\$6,961,664.00
<b>TOTAL</b>		<b>\$81,602,824.00</b>	<b>\$20,400,709.00</b>	<b>\$18,782,736.00</b>	-	<b>\$2,327,835.00</b>	-	<b>\$123,114,104.00</b>



**Jamaica Customs Agency**  
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**Executive Services Division**