

**STATISTICAL INSTITUTE OF JAMAICA
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR
THE YEAR ENDED MARCH 31, 2014**

1.0 INTRODUCTION

1.1 The matter for tabling in the Honourable House of Representatives is the Annual Report for the Statistical Institute of Jamaica (STATIN) for the financial year ended March 31, 2014. The entity was established under the Statistics (Amendment) Act 1984. The Institute is vested with all the powers formerly held by the Department of Statistics (previously the Bureau of Statistics), along with other powers.

1.1.2 The Institute's mission is to provide on a timely and cost effective basis, a comprehensive body of reliable and accurate statistical information which meets recognised international standards. Its main functions include collecting, compiling, analysing, abstracting and publishing national statistical information relating to the commercial, industrial, socio-economic and general activities of Jamaicans. STATIN also conducts any census in Jamaica.

2.0 DISCLOSURES

2.1 Auditor's Report

2.1.2 UHY Dawgen Chartered Accountants¹ conducted an independent audit of STATIN's financial statements and issued an unqualified opinion. The auditors' expressed opinion is that the financial statements give a true and fair view of the state of the Institute's affairs as at March 31, 2014. The financial statements were prepared in accordance with the requirements of the International Financial Reporting Standards, and complied with the provisions of the Statistics (Amendment) Act 1984.

2.2 Compensation for Senior Executives and Directors

2.2.1 In accordance with the Second Schedule (Part 1) of the Public Bodies Management and Accountability Act (Amendment 2011), the Annual Report includes details of the compensation packages for the executive managers and directors. Emoluments for eleven (11) senior executives totalled \$52.72 million, which was 10.1% of total employee compensation (including project staff). Fees for the seven (7) Board members (including the chairman) amounted to \$0.42 million.

3.0 OPERATIONAL REVIEW

3.1 During 2013/14, STATIN expanded the use of its Electronic Data Collection System (eDaCs), to two additional activities, including the survey of Living Conditions. The system was

¹ Incorporating Paul Goldson & Co.

developed in-house in 2012/13 and is aimed at re-engineering the data collection process, for efficiency and effectiveness. Other notable activities undertaken are outlined in Table 1.

Table 1 Major Activities

Population and Housing Census (Demographic Statistics)	The 2013 Demographic Statistics Report was published and provided statistical analysis on population size and composition, births, deaths, migration, marriages, divorces and family planning. The population size was estimated at 2,717,991 at the end of 2013 (2011 census: 2,697,983).
Labour Force Survey	This survey is to provide the basis for the estimate of the economic activity and characteristics of the labour force for the survey period. Quarterly Labour Force Surveys were fielded during 2013/14 and approximately eight thousand (8,000) private dwellings were visited. Data at the end of October indicated that the Jamaican Labour Force stood at 1,304,800 an increase of 20,900 persons (1.6%) over the 1,283,900 recorded in October 2012. In addition, the unemployment rate rose by 0.9 percentage point to 14.9% compared to 14% in 2012/13.
National Accounts	Statistics were provided on economic activities with respect to production, consumption and investment. This included the National Income and Product (NIP) 2012 Report which for the first time, presented estimates of Gross Domestic Product (GDP) by expenditure at constant (2007) prices from 2007 – 2012.
Environmental and Multi-Domain Statistics	An Energy Statistic Report was produced. Comparing the past two censuses (2001 and 2011), it was noted that electricity use by households increased by 24% while kerosene use fell by 38%.

4.0 FINANCIAL HIGHLIGHTS

4.1 STATIN recorded total revenue of \$671.28 million (2012/13: \$604.83 million), as indicated in Table 2. This increase of \$66.43 million (influenced primarily by additional government grant), along with total costs basically remaining constant, facilitated improved operational results. Nevertheless, earnings were inadequate to cover expenses and the entity incurred a net deficit of \$25.50 million, (2012/13: -\$92.42 million).

4.2 Government grants increased by \$76.92 million to \$656.45 million (2012/13: \$579.53 million) and constituted 98% (2012/13: 96%) of the Institute's total earnings. As it relates to other major revenue sources, STATIN undertakes projects on behalf of various entities and earns a surplus upon closure. Income in this regard fell by \$9.20 million to \$4.48 million and partially negated the increased government grants.

Table 2: Income and Expenditure Statement (\$ million)

Particulars	2013/14	2012/13	Change	
			\$m	%
Income:				
Government Grants	656.45	579.53	76.92	13.27
Surplus on closed projects	4.48	13.68	-9.20	-67.25
Other Income	10.35	11.62	-1.27	-10.93
Total Income	671.28	604.83	66.45	10.99
Expenses:				
Compensation of Employees *	426.37	408.35	-18.02	-4.41
Travelling and Other Benefits **	105.88	110.76	4.88	4.41
Purchase of goods/other services	21.35	24.24	2.89	11.92
Rent	71.20	70.48	-0.72	-1.02
Electricity	30.00	26.51	-3.49	-13.16
Depreciation	9.60	29.82	20.22	67.81
Other Expenses	32.38	27.09	-5.29	-19.53
Total Expenses	696.78	697.25	0.47	0.07
Net Deficit	-25.50	-92.42	66.92	-72.41

* excludes compensation for projects and contracts staff

* travelling, subsistence, pension and insurance benefits

4.3 Expenses amounted to \$696.78 million (2012/13: \$697.25 million), a minimal decline of \$0.47 million. Although the staff count fell by 40 persons to 355, employment compensation and benefits increased by a net \$13.14 million chiefly as the Entity had to pay increments outstanding for the period 2009 to 2012. There were no previous accruals for these costs. Electricity cost was also higher by \$3.49 million in 2013/14. The impact of the aforementioned was completely offset, chiefly as general² depreciation level fell by \$20.22 million to \$9.60 million. Particularly, charges related to computer software and equipment showed a marked reduction of \$19.09 million given that majority of the computer equipment was fully depreciated in 2012/13.

5.0 Balance Sheet and Cash Flow Highlights

5.1 STATIN's working capital deficit of \$77.15 million represented a deterioration by \$21.52 million on the \$55.63 million for 2012/13. This decline was associated with reduced cash and equivalents (by \$58.32 million/58%) which fell to \$42.65 million at March 31, 2014. This facilitated a 46% decline in current assets compared to a 21% decline in current liabilities.

5.2 Notwithstanding the additional grant funding towards covering costs, there was a significant shortfall of \$51.07 million in cash flows from operations, chiefly as a net \$41.99 million was used to settle trade and other payables. Accordingly, STATIN had to utilise a portion of its cash carried forward to supplement flows.

² Depreciation charges associated with projects excluded (2013/14: \$0 and 2012/13: \$1.04 million)

6.0 CONCLUSION

6.1 The Statistical Institute of Jamaica continued its efforts to fulfil its mission “to provide relevant, timely and accurate statistical information and technical services, consistent with international standards, to national and international clients”. Despite budgetary constraints and increased demand for statistics, the regular programme of work was completed, while the institute continued to interface with local and international stakeholders.



Peter Phillips Ph.D., MP
Minister of Finance and Planning
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