



NATIONAL LAND AGENCY

ANNUAL REPORT 2005-2006

MISSION

The National Land Agency (NLA) has the mission to ensure that Jamaica has:

- ⇒ An efficient and transparent land titling system which guarantees security of tenure
- ⇒ A National Land Valuation database which supports equitable property taxation
- ⇒ Optimal use of Government-owned lands
- ⇒ A basic infrastructure on which to build a modern spatial information system designed to support sustainable development.

VISION

The National Land Agency will be a proactive and client-focused organisation, committed to providing an easily accessible, integrated spatial information service by a highly trained and motivated staff in a supportive environment.

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Letter to the Minister

June 21, 2006

Honourable Dean Peart
Minister of Land and the Environment
16A Half-Way-Tree Road
Kingston 10

Dear Minister,

In accordance with the requirements contained in Section 15(3) of the Executive Agencies Act and Section 13.1 of the Financial Instructions to Executive Agencies, I hereby present the Annual Report of the National Land Agency for the Financial Year 2005/06.

The Report contains a copy of the Agency's audited Financial Statements for the year.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'E. A. Stair', with a long, sweeping underline.

Elizabeth Stair
Chief Executive Officer/Commissioner of Lands

Minister's Message



The National Land Agency under its theme "One Agency One Goal, is continuing to make great strides in achieving greater levels of efficiency, ensuring improved security of all transactions and reduced operational costs resulting from computerization of most services.

Two new services were introduced this year in an effort to enhance the process of fair and transparent distribution of land to those least likely to afford such service. The introduction of a probate Unit is in response to the urgent need to ensure security of tenure and in fulfillment of the Agency's and by extension the government's commitment to deliver Certificates of Title to Land Settlement beneficiaries. This unit assists in administering the estate of deceased persons who are allottees of Government Land Settlement Schemes. Rationalization of land titles and property rights will not only provide a number of persons legal rights to lands but will also enable

them to use these titles as a means of security collateral, both for domestic and business pursuits.

The newly introduced interactive electronic forms, another innovative move, allows for 12 types of transactions relating to titling application to be done online. This has resulted in drastically reducing the turn around time for these transactions, and ultimately leads to increases in the revenue generated.

Administration and distribution of Crown Lands have sometimes led to controversial deliberations. Efforts have been made in balancing of varying views through Consultations with Committees, Advisory Board and the Attorney General. The Ministry and the Agency, in particular, will endeavour to increasingly seek information and expertise to better inform policy and programme development such as land titling and public access to land.

The National Land Agency continues to play an integral part in the Government's commitment to achieving sustained development that will improve quality and timely delivery of services, enhance finance and financial management, and speed up the issuing of titles that will empower people to improve their economic well-being.

The Ministry looks forward to continue working with the NLA in the years to come.

A handwritten signature in black ink, appearing to read "Dean Peart".

Minister Dean Peart

Chief Executive Officer's Report



Mrs. Elizabeth Stair
Chief Executive Officer

The Agency made headway in achieving targets as the benefits of the recently installed electronic processing of operations at the Land Titles Division were realised. For example, the target of completing 80 percent of "Memorandum Matters", or dealings in existing titles, within 15 days was exceeded as performance was 92 percent completed in 15 days. While the number of endorsements completed on land titles was 86,880, which although below the target of 100,000, represented all requests that were received.

There was improvement in the preparation of new Certificates of Titles with and without plans as 75

percent of Certificates of Titles (with plan) were completed in 30 days in comparison to 65 percent completed in 30 days in the previous year. This performance was however 5 percent below the target of 80 percent completion within 30 days.

In response to customer feedback, the Agency introduced two new services; a Probate Unit and the establishment of Interactive Electronic Forms (used by Land Titles customers) on our website.

Probate Unit

A Pilot Project was launched in November 2005 to administer the estate of deceased persons who had been allotted land under the Government's Land Settlement Scheme, in which they were given 25 years to pay for the land. Some of the allottees, however, have died before the titles were issued and as such the lands cannot be transferred to their beneficiaries.

Interactive Electronic Forms

Interactive Electronic Forms for twelve (12) types of transactions on existing titles were made available on our website, www.nla.gov.im. The forms were introduced to simplify the preparation and lodgement of documents at the Land Titles Division with a view to reducing the turnaround time and the incidence of "bounced" or "rejected" documents.

Chief Executive Officer's Report

With regard to valuation services, performance exceeded the target in two areas; the preparation of certificates for sub-division approval and amendments to the Valuation Roll. Ninety-eight (98) percent of all certificates for application for sub-division approval were completed in 6 days. The target was 85 percent completion within 6 days. Fifty-two thousand, five hundred and twenty-nine (52,529) amendments were done to the Valuation Roll, exceeding the target of 35,000.

As the Valuer of government properties, 51 percent of Valuations requested were completed in 30 days, below the targeted 85 percent completion within 30 days. However, 551 Valuations were completed in the year considerably more than the 200 normally done/targeted.

Surveying services were completed within target except for those indicators that required resources that were unavailable. The turnaround time of 80 percent completion within 40 days to check Survey Plans for Commissioned Land Surveyors was met. The targeted establishment of 2,000 Control Marks in the National Geodetic Database was exceeded as 2,139 marks were established. The number of Horizontal Control Marks established was 112, exceeding the targeted 100. Also, 204 Control Marks were checked, exceeding the targeted 60.

However, the number of parcels of land surveyed was only 350, failing the target of 650 due to insufficient funds to conduct surveys.

The indicators on the management of Crown Land were met except for the number of duplicate Certificates of Title prepared in the name of the Commissioner of Lands as only 1,024 were prepared out of a target of 2,000. The Probate Unit was developed in an attempt to meet this target.

Other Key Performance Indicators such as the turnaround time to prepare Notices of Allotment for properties approved and deposits collected and the preparation of Sale/Lease Agreements for execution by the parties after Ministerial approval were exceeded.

Recognizing that the achievement of targets was not possible without skilled and motivated staff, the Agency trained 304 staff members who received at least 8 hours of training in areas ranging from general management to specific technical matters.

Courses in the management category included Capacity Building, Supervisory Management, Project Management, Public Sector Management, Public Speaking and Secretarial and Auditing.

Chief Executive Officer's Report

In the technical areas, officers participated in overseas courses at Ordinance Survey in the UK and Hydrographic Survey for the production of Nautical Charts. Attendances at International Professional Conferences in Valuation and Law and Accountability for Real Property Rights were also part of the training exercise.

There was participation in courses arranged by our stakeholders such as the Bar Association of Jamaica, as well as training in GIS and ARC-View, the software used in GIS.

Significant attention was also given to internal training on the products and services offered by the Agency. As a result staff members were better informed and able to provide information to the public on the roles and functions of the Agency. This gave them a fuller appreciation as to how their specific job functions fit into the Agency's delivery of service.

Revenue earned by the Land Titles, Land Valuation and Surveys & Mapping Divisions exceeded the targeted \$420 million as \$468.4 million was earned. Expenditure was \$612.9 million, in comparison to a target of \$639 million. The actual revenue to actual expense ratio was 76 percent, exceeding the target of 65 percent.

The Agency's Public Relations activities included participation in a number of activities in communities to promote the work of the Agency, such as, a town meeting to mark Portmore Week and a joint forum with NHT in Junction, St. Elizabeth.

Our staff continued on the road to excellence as we won the "Best Booth" competition at the Annual Geographic Information System (GIS) Day Exhibition. While our football team won the Jamaica Civil Service Association's football competition and one of our secretaries won the "Secretaries and English category" of the Public Sector Brain Games.

I wish to express sincere appreciation to the staff who has worked assiduously to meet our targets, to our customers who provide continuous feedback on the quality of our service and our former Minister, the Hon. Dean Peart for his guidance and support.



Elizabeth Stair

Chief Executive Officer

THE LAWS THAT GOVERN US

The Mandate of the National Land Agency is provided under the following Acts:

Crown Property (Vesting) Act

Land Acquisition Act

Land Surveyors Act

Land Valuation Act

Registration of Titles Act

Registration (Strata Titles) Act

Executive Agencies Act

Strategic Objectives

The NLA is committed to meeting the following strategic objectives:

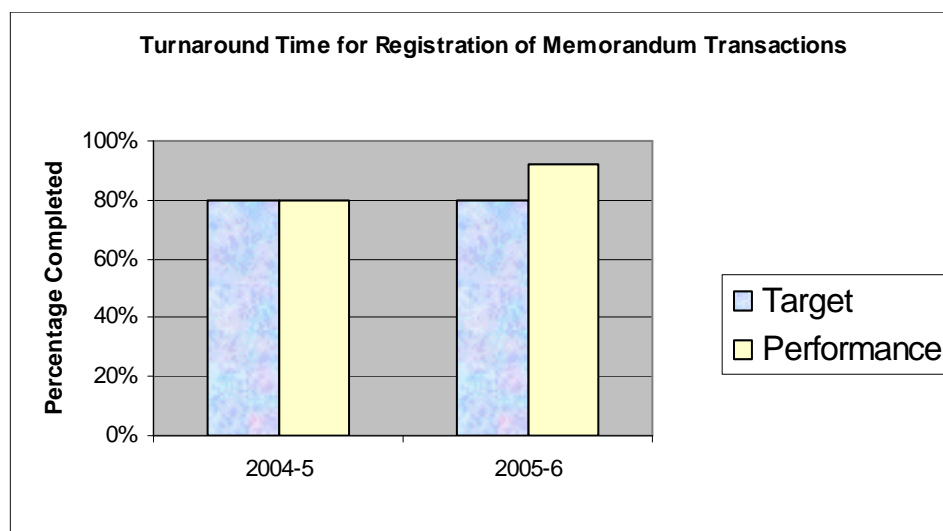
1. To improve quality and ensure timely delivery of services.
2. To establish an efficient, transparent and coherent policy for the management of Crown lands.
3. To become a client-focused organisation, through on-going consultation with stakeholders (Marketing and Public Education).
4. To build a strong organisation with a highly qualified and motivated staff in a supportive environment.
5. To improve Finance and Financial Management

Each strategic objective contains Key Performance Indicators (KPIs) as stated on the following pages.

KEY PERFORMANCE INDICATORS (KPIs)

Objective 1: To improve quality and ensure timely delivery of services (customer service)

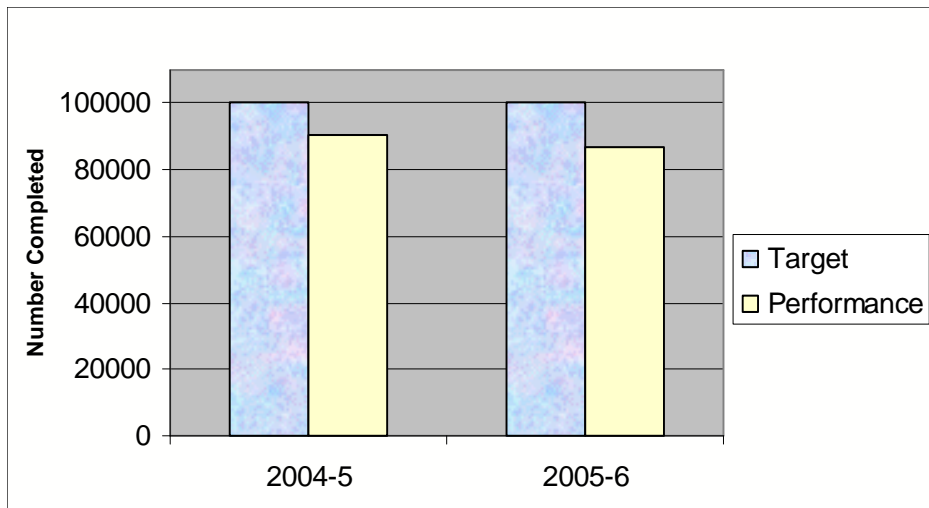
KPI 1. Turnaround time for Registration of Memorandum Transactions



Graph 1 Turnaround Time for Registration of Memorandum Transactions

The turnaround time for registration of Memorandum Transactions was 92 percent within 15 days. This was an improvement of 12 percent above the performance for the previous year of 80 percent each.

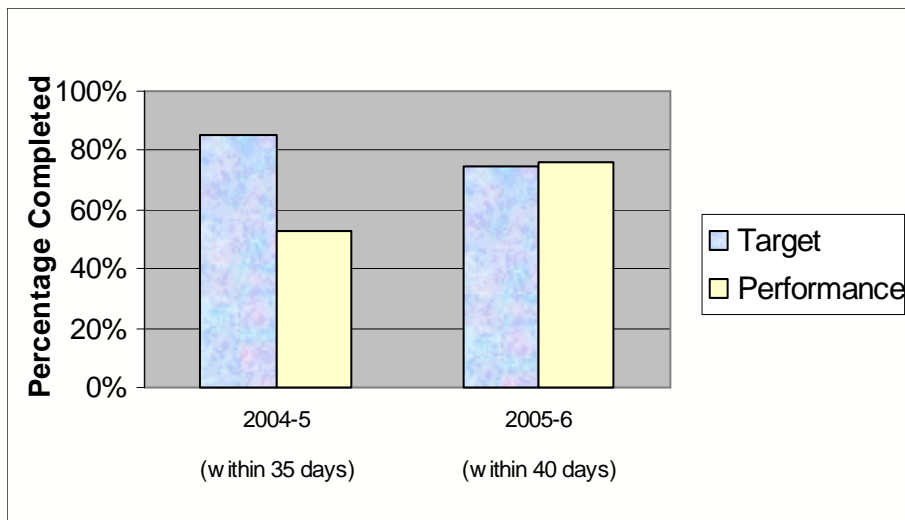
KPI 2. Number of Memorandum Endorsements Completed



Graph 2. Number of Memorandum Endorsement Completed

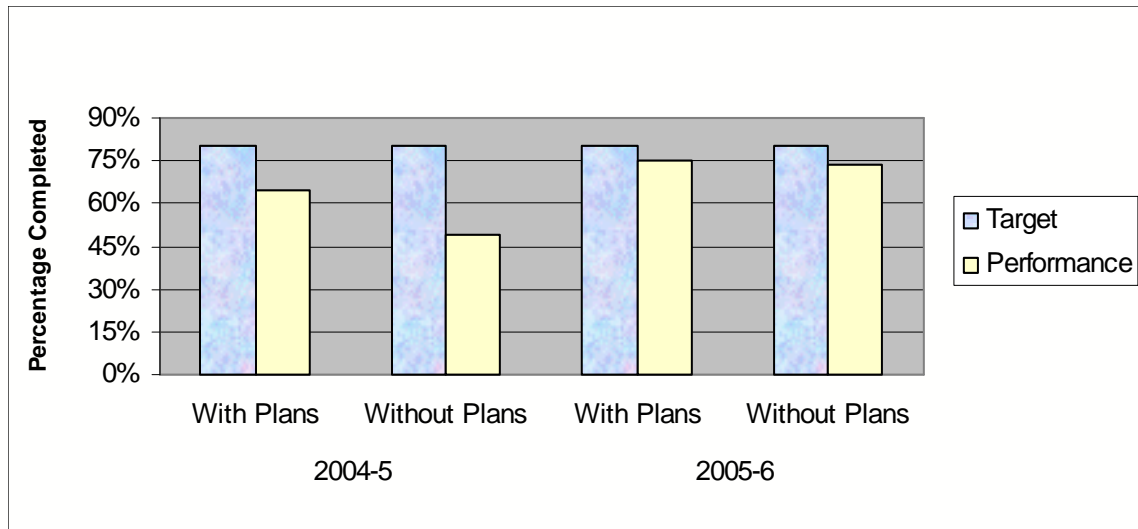
The number of Endorsements completed was 86,880. Although below the target of 100,000, this represents all requests received for the year. The number completed for 2004-5 was 90,424.

KPI 3. Turnaround Time to Check Plans for Commissioned Land Surveyors



Graph 3. Turnaround Time to Check Plans for Commissioned Land Surveyor

The targeted 75 percent in 40 days to check plans for Commissioned Land Surveyors was exceeded as 76 percent were done within the target time. Fifty-three (53) percent were completed within 35 days for 2004-5.



Graph 5. Turnaround Time to Issue New Certificates of Title

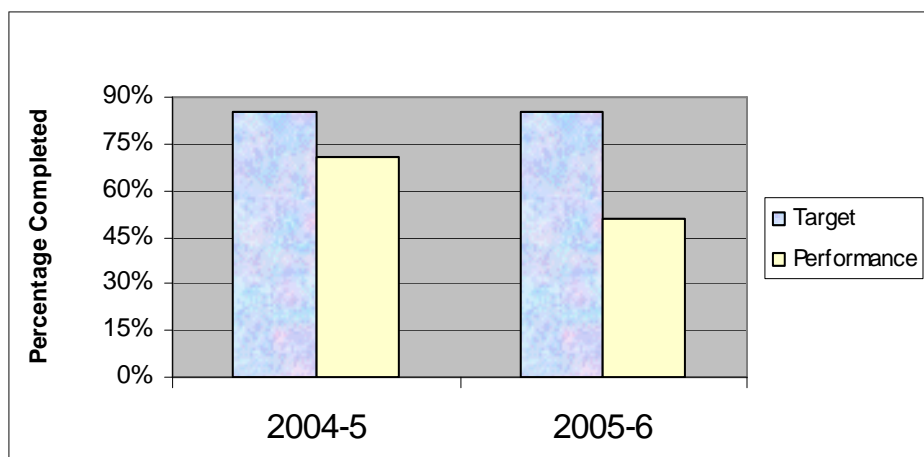
KPI 4. Turnaround Time to Prepare Certificates of Title with Plans

The turnaround time to prepare Certificates of Title with plans was 75 percent within 30 days. Although 5 percent below target, this represents an improvement over the previous year's 65 percent. The target was not met primarily due to low performance over a three month period.

KPI 5. Turnaround time to Prepare Certificates of Titles without Plans

The targeted turnaround time of 80 percent within 20 days, for the preparation of Certificates of Title without plans was not met as the actual performance was 73 percent. This was an improvement over the 49 percent performance for 2004-5. The target was not met primarily due to low performance over a three month period.

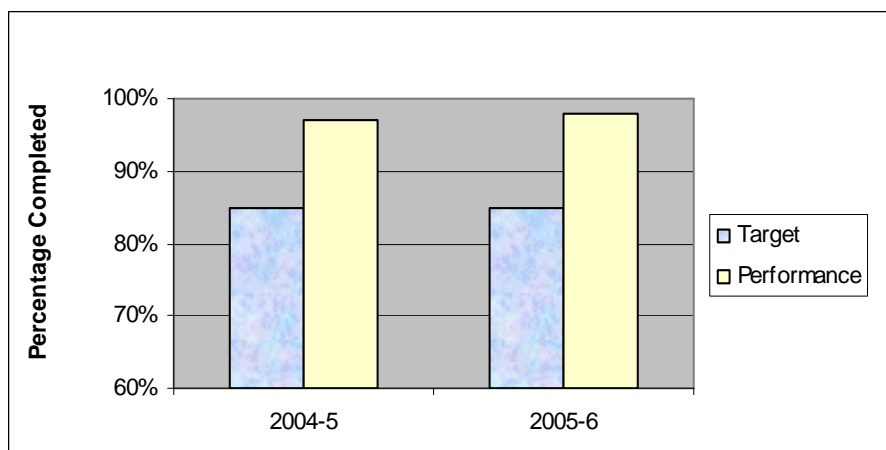
KPI 6. Turnaround Time to Complete Valuations



Graph 6. Turnaround Time to Complete Valuations

The turnaround time to complete valuations within 30 days was 51 percent, below the target of 85 percent. This was due largely to a significant increase in the number of valuations, as 551 valuations were done, almost three times the average of 200 normally done per annum. In 2004-5, 71 percent was completed within 30 days.

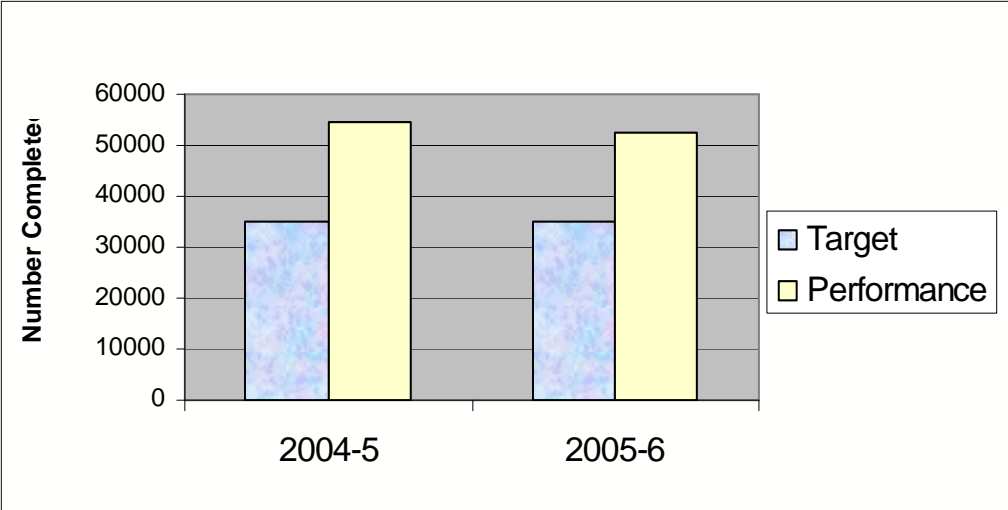
KPI 7. Turnaround Time to Prepare Certificates for Subdivision Approval



Graph 7. Turnaround Time to Prepare Certificates for application for Subdivision Approval

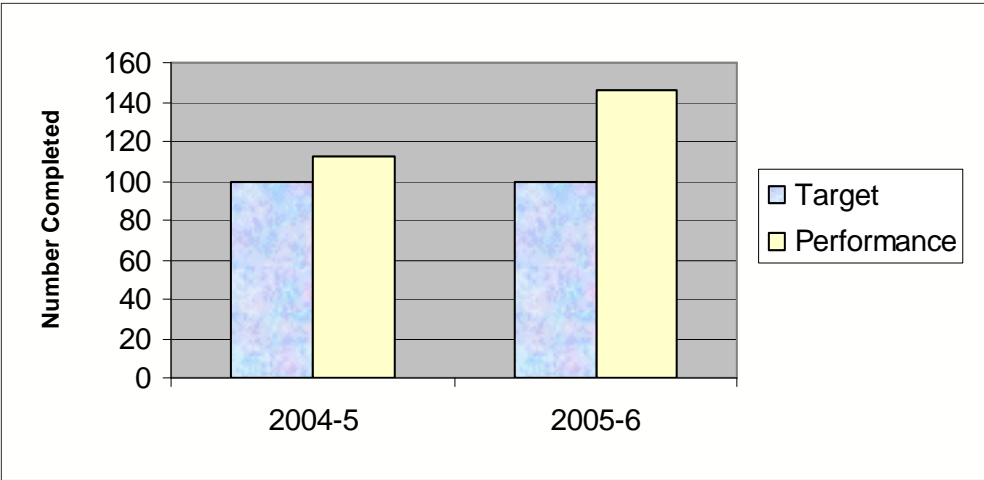
Almost all certificates for application for subdivision approval were done within 6 days, as the performance was 98 percent almost matching that of the previous year's 97 percent. This surpassed the target of 85 percent within 6 days.

KPI 8. Number of Amendments to the Valuation Roll



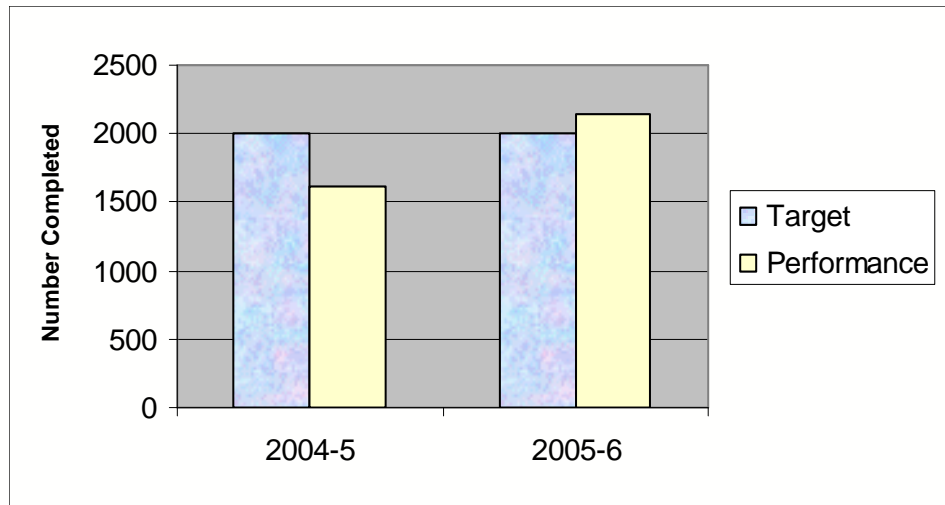
Graph 8. Number of Amendments to Valuation Roll

KPI 9. Number of Horizontal Control Marks established per Year



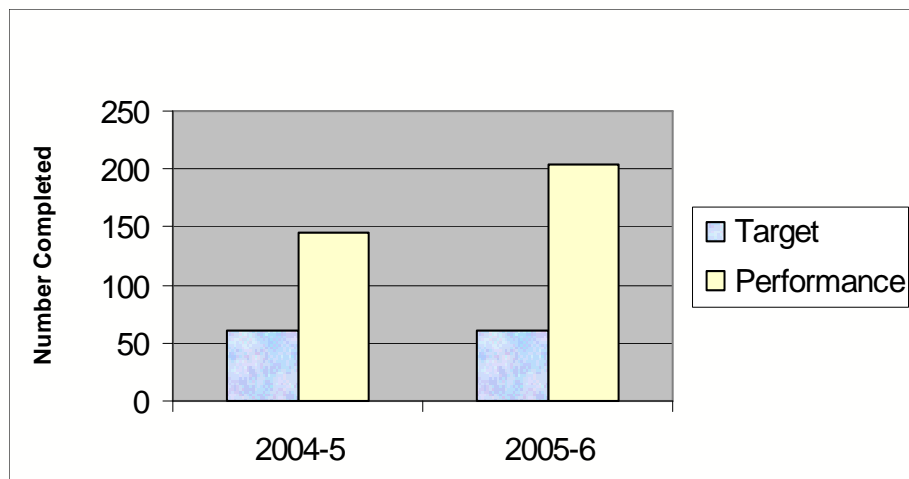
Graph 9. Number of Horizontal Control Marks Established Per Year

A total of 52,529 amendments were made to the Valuation Roll, a decrease of 3 percent over the 54,411 completed in the previous year, 2004-5. However, this was once again significantly above the target of 35,000.

KPI 10. Number of Control Marks established in National Grid Geodetic Database

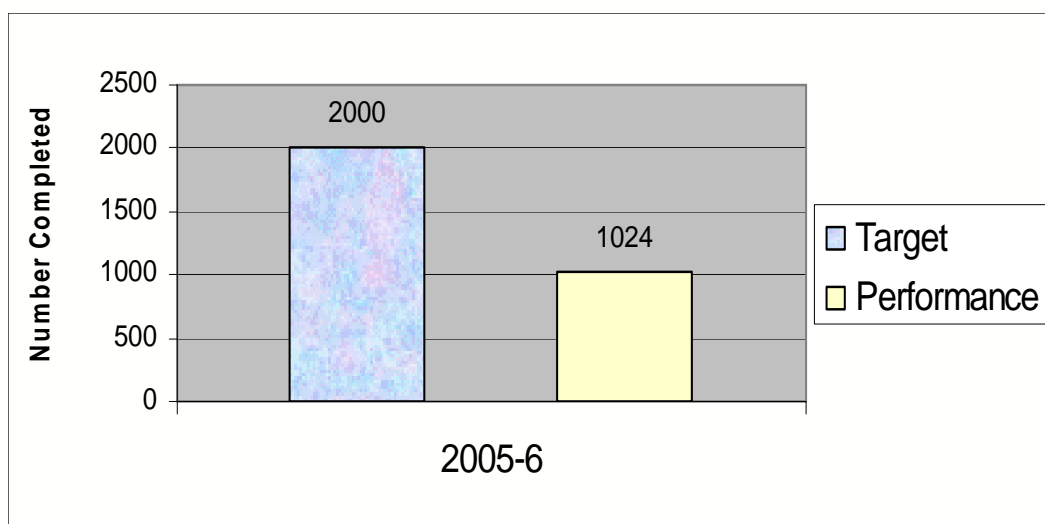
Graph 10. Number of Control Marks Established in National Grid Geodetic Database

Two thousand, one hundred and thirty-nine (2139) Control Marks were established in the National Grid Geodetic Database, surpassing the target by 7 percent. This also represents an improvement over the previous year 2004-5 by 32 percent, when 1,618 Control Marks were established.

KPI 11. Number of Control Marks checked per year

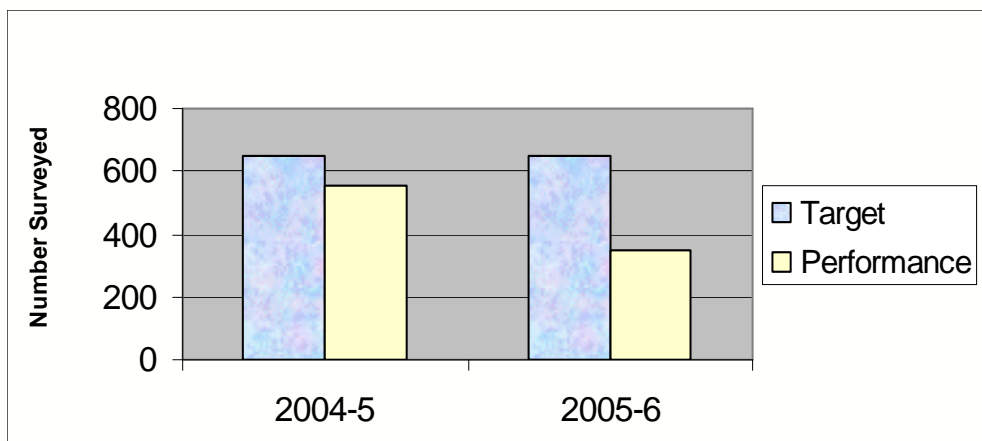
Graph 11. Number of Control Marks Checked Per Year

The targeted number of Control Marks to be checked—60, was exceeded by 240 percent, as 204 were checked for the year. The number checked for 2004-5 was 145.

Objective 2: To establish an efficient and coherent policy for the management of Crown Lands**KPI 1. Number of duplicate Certificates of Title prepared in the name of the Commissioner of Lands**

Graph 12. Duplicate Certificates of Title Prepared in the Name of the Commissioner of Lands

The number of duplicate Certificates of Title prepared in the name of the Commissioner of Lands fell below the target by 49 percent, as only 1024 were prepared. This was due to a number of challenges faced, such as death of Allottees and beneficiaries not having the requisite papers to deal with the estate. To address these, a Probate Unit was established in November 2005, specifically to deal with land settlement matters.

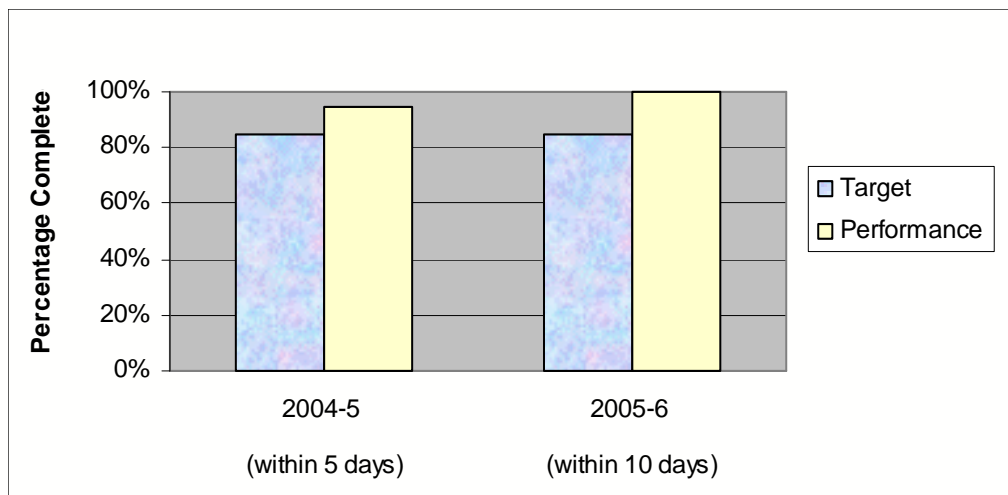


Graph 13. Number of Parcels Surveyed

cent above the target of 100.

The number of Horizontal Control Marks established for the year was 146, 30 percent more than the 112 established in 2004-5 and 46 per-

KPI 2: Number of Parcels Surveyed



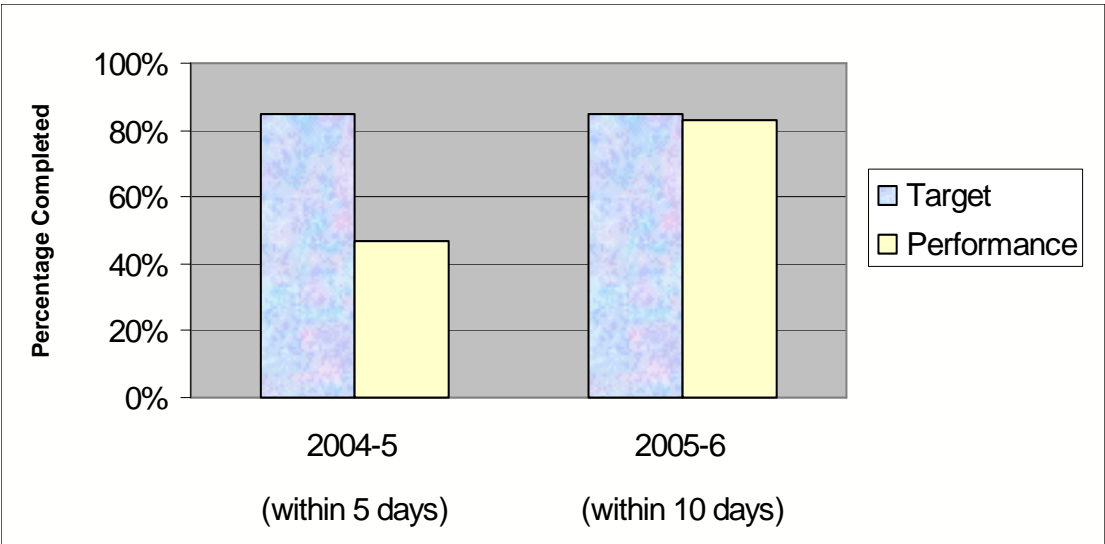
The par-fell

Graph 14. Turnaround Time to Prepare Notices of Allotment

of 650, as only 350 were done for the year. This was also a decrease over 2004-5 when 554 were done. The underperformance was primarily due to insufficient resources to conduct surveys.

number of cels surveyed below the target

KPI 4: Turnaround Time to prepare sale/lease agreements for execution by parties after Ministerial approval



Graph 15. Turnaround Time to Prepare Sale/Lease Agreements for Execution by the Parties after Ministerial Approval

The targeted turnaround time to prepare sale/lease agreements for execution by parties after Ministerial approval was missed by 2 percent, as 83 percent were prepared within 10 days instead of 85 percent in 10 days. In 2004-5, 47 percent were prepared within 5 days.

Objective 3: To become a client focused organization, through on-going consultation with stakeholders

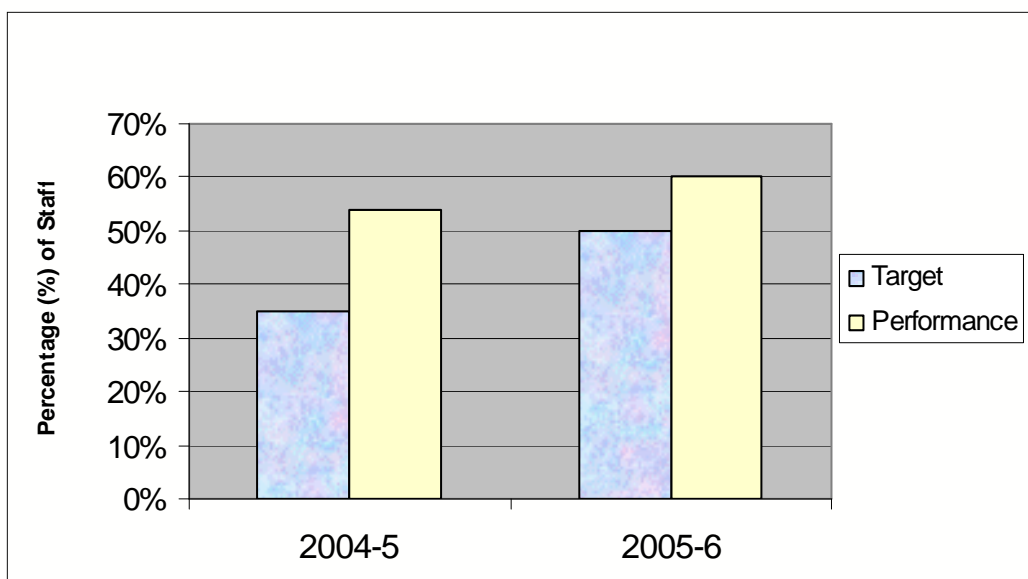
KPI 1: Number of New Services Implemented

Two new services were implemented during the year 2005-6. They included a Probate Unit in the Corporate Legal Services Division and the establishment of interactive forms for persons using the services in the Land Titles Division.

The Probate Unit was established in November 2005 to assist beneficiaries of land settlement allottees to obtain duplicate Certificates of Title. The Interactive forms established are available on our website and allow customers to fill in the form online while providing vital guidelines to assist them.

Objective 4: To build a strong organization with a highly qualified and motivated staff in a supportive environment

KPI 1. Number of Staff Receiving Minimum Training Hours

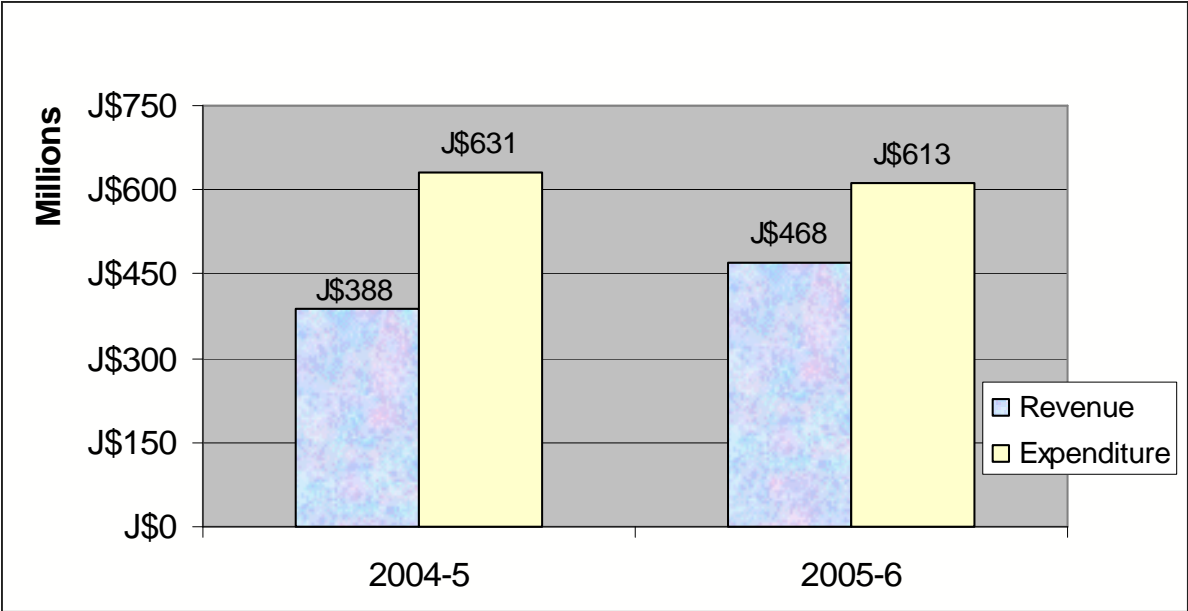


Graph 16. Staff Receiving a Minimum of 8 Hours Training

A total of 304 staff members or 60 percent, received a minimum of 8 hours training. This surpassed the target of 50 percent and also shows an improvement over the period 2004-5, when the performance was 54 percent.

Objective 5: To improve the quality of Finance and Financial Management

KPI 1: Ratio of Actual Revenue to Actual Expenditure.



Graph 17. Revenue and Expenditure

The agency earned revenue at a ratio of 76 percent to actual expenditure. This surpassed the target of 65 percent. The revenue to expenditure ratio for 2004-5 was 61 percent. Actual Revenue for 2005-6 was \$468 million (including collections from Land Titles, Land Valuation and Surveys and Mapping Divisions and excluding Estate Management Division). This was an increase over collections for the previous year 2004-5, by \$80 million. Expenditure for 2005-6 was \$613 million.

Collections for Estate Management Division in 2005-6 were \$167 million which were paid over to the Consolidated Fund. This was an increase of 122 percent over the collections for 2004-5 of \$75.3 million.

KPI 2 .Number of One-Stop-Shops in place

The target of establishing a “one-stop-shop” in the regional office was not met as the project got off to a late start.

Probate Unit For Land Settlements Schemes

In November 2005, the Corporate Legal Services Division of the Agency launched a pilot project in Golden Valley, St. Thomas, with a view to administering the estates of deceased persons who had been allotted land under the Government's Land Settlement Scheme.

Land Settlement Schemes were started in the post-independence era as a means of redistributing land to those without property.

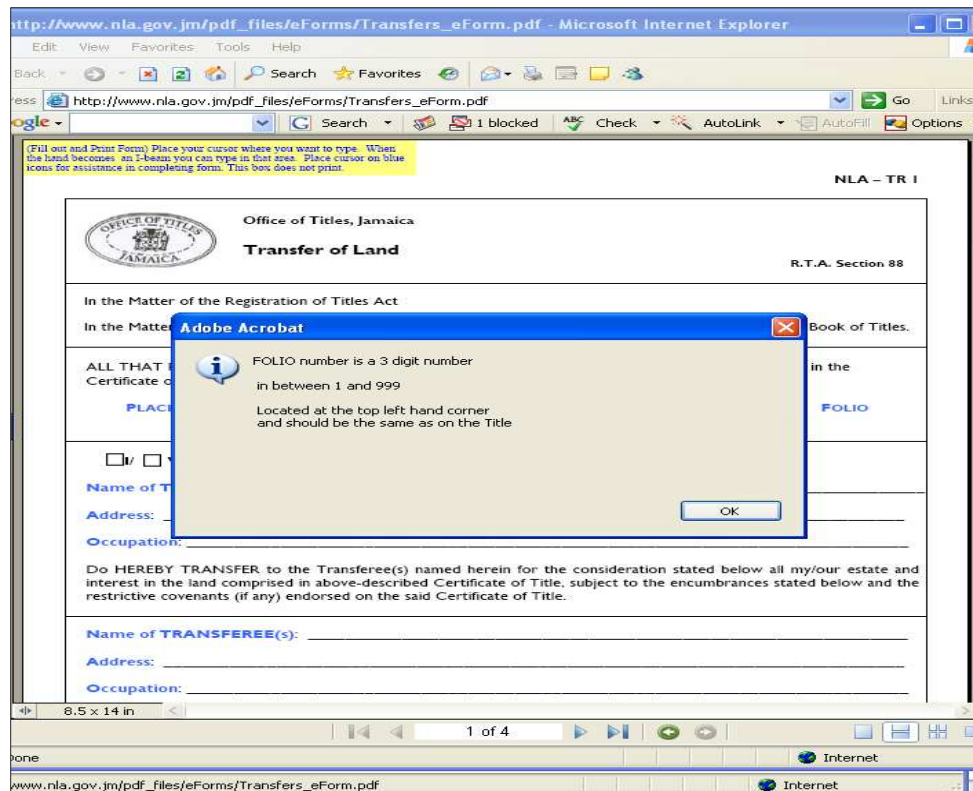
Persons who have entered into land settlement agreements with the Commissioner of Lands are called Allottees. Most land settlement agreements give the allottees 25 years to pay, at the end of which the Government, through the Commissioner of Lands, would issue a registered title.

However, with the passage of time, many allottees have died before the titles are issued and the land cannot be transferred to their beneficiaries, as they have been unable to obtain Probate or Letters of Administration. As a result, these persons are unable to access loans and other benefits that flow from land ownership.

There are approximately 3,000 titles ready to be issued, but without Letters of Administration or Probate for the estate of the deceased, the Commissioner of Lands is unable to issue a title in the name of the beneficiaries.

Beneficiaries are still encouraged to seek the assistance of private Attorneys or the Administrator General's Department (in appropriate cases) in obtaining Probate or Letters of Administration. Where there are no beneficiaries the administering of estates of deceased allottees must be referred to the Administrator General's Department.

INTERACTIVE ELECTRONIC FORMS



A sample of the electronic form for transferring land that is available online. It is displaying a pop-up box explaining what is a folio number and where it is located.

In continuing to improve its service to its customers, the NLA made available online, electronic forms for certain land transactions at the Land Titles Division. The forms are interactive as they guide the applicant to complete each section. The forms however must be printed and signed before submitting to the Agency for processing.

They were specifically designed to simplify the format of preparing and lodging documents at the Land Titles Division with a view to reducing the processing time, as well as to reduce the rejection rate (bounced documents).

To access the forms, customers must log on to the Agency's website at www.nla.gov.jm and must have Adobe Acrobat Reader version 5.0 or above.

The transactions for which the online forms are available include:

1. Discharge of a Mortgage
2. Caveat of Registration of any Change in the Proprietorship of any Dealing
3. Application where Duplicate Title is Lost or Destroyed
4. Application to Surrender Title
5. Transfer of Land
6. Transfer of Part of Land
7. Surrender under Section 79
8. Withdrawal of Caveat
9. Transfer of Land Under Power of Attorney
10. Application to Note Marriage

The Road To Excellence



**Mrs. Donna Fowler, Executive Secretary
Winner, Secretaries and English Language Category,
2005 Public Sector Brain Games**



Milton Saunders and Ranford Campbell, Geographic Information System Day



**Jamaica Civil Service Association (JCSA) Football Competition
Captain: Mr. Lennox Broderick**

The National Land Agency does not only excel in work but also in extra curricula activities. 2005/2006 was indeed NLA's Year. The Agency won the Best Booth Competition at the annual Geographical Information Service (GIS) Day Exhibition at UWI, Mona. The Agency was also the winner of the Jamaica Civil Service Association

(JCSA) Football Competition when they beat Correctional Services 1-0 at the Finals on December 1, 2005. The road to success continued when one of its Executive Secretaries, Donna Fowler, took first place in the Secretaries and English language category of the 2005 Public Sector Brain games.

MARKETING AND PUBLIC RELATIONS ACTIVITIES 2005-2006

The Agency was engaged in several marketing and public relations activities during the year, as it sought to promote its products and services and raise awareness. It hosted booths at the following events:

- ◆ Town Meeting at Portmore Pines during Portmore Week of Activities
- ◆ World Town Planning Day Symposium and Exhibition at the Jamaica Conference Centre
- ◆ GIS Day Exhibition, Montego Bay and Kingston
- ◆ Old Harbour Development Area Committee Community Expo, Ascot Hall, Old Harbour
- ◆ The Caribbean Institute of Technology Expo in

Montego Bay

- ◆ RADA Expo at Hope Gardens, Kingston;
- ◆ Forestry Department Exhibition in Kingston
- ◆ NLA/NHT Forum in Junction, St Elizabeth.

In addition, the Agency and the National Housing Trust (NHT) jointly hosted a public forum in Junction, St. Elizabeth to sensitise the citizens of St. Elizabeth on the process involved in getting a registered title for their land as well as the benefits of a contributor to the NHT. It was recognised that a number of citizens in St. Elizabeth do not claim NHT benefits because they do not have a registered title for their land.



NLA/NHT Forum in Junction, St Elizabeth.



GIS Day Open Day and Exhibition at UWI, Mona

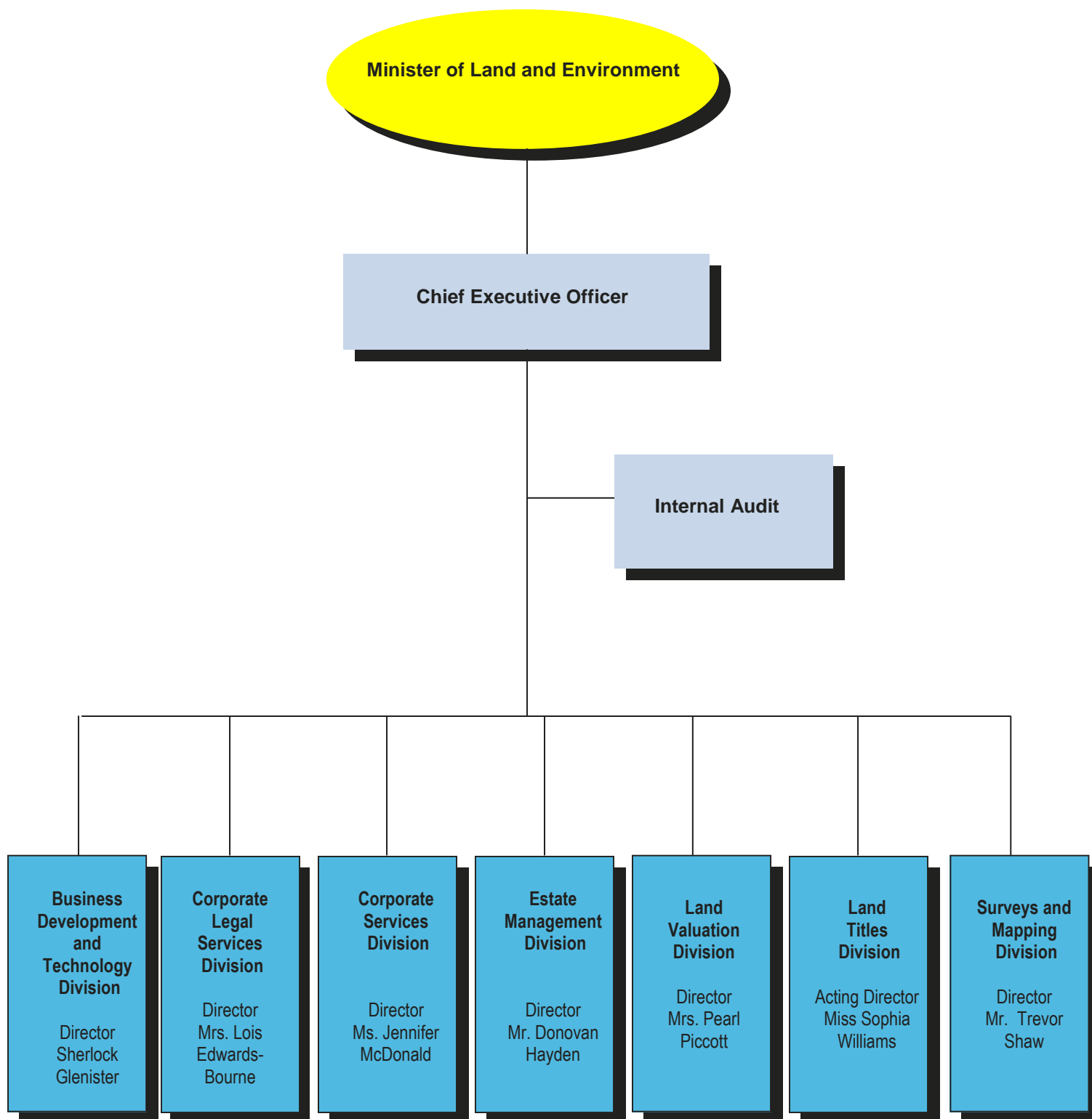


World Town Planning Day at the Jamaica Conference Centre in Kingston



The Caribbean Institute of Technology Expo in Montego Bay

ORGANISATIONAL STRUCTURE



FINANCIAL STATEMENTS

Ending March 31, 2006

**AUDITOR GENERAL'S REPORT OF
NATIONAL LAND AGENCY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006**



AUDITOR GENERAL'S DEPARTMENT
8 WATERLOO ROAD
P.O. BOX 455
KINGSTON 10
JAMAICA
Email: audgen5@cwjamaica.com

INDEPENDENT AUDITOR'S REPORT

**To the Chief Executive Officer
National Land Agency**

Report on the Financial Statements

I have audited the accompanying Financial Statements of the National Land Agency, set out on pages 1 to 14, which comprise the Balance Sheet as at March 31, 2006, Income and Expenditure Statement, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Public Sector Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these Financial Statements based on my audit. I conducted my audit in accordance with the auditing standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

AUDITOR GENERAL'S REPORT OF
NATIONAL LAND AGENCY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006

Opinion

In my opinion the Financial Statements give a true and fair view of the financial position of the National Land Agency as at March 31, 2006, and of its financial performance, and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Report on Additional Requirements of the Executive Agencies' Act

I have obtained all the information and explanations which, to the best of our 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 required in the manner so required.



.....
Pamela Monroe Ellis (Mrs.)
Auditor General

20/04/05.....


Date

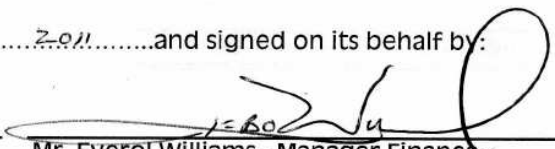
Statement of Financial Position

For the year ended March 31, 2006

	Note	2006 \$	Restated 2005 \$
Non-current assets			
Property, Plant and Equipment	3	54,287,831	42,836,107
		<u>54,287,831</u>	<u>42,836,107</u>
Current assets			
Trade and Other Receivables	4	4,224,863	16,950,031
Prepaid Expenses and Advances	5	6,234,827	3,572,902
Deposit on Fixed Assets		1,184,518	-
Cash and Cash equivalents	6	310,121,822	170,674,790
		<u>321,766,030</u>	<u>191,197,723</u>
Total Assets		<u>376,053,861</u>	<u>234,033,830</u>
Liabilities			
50% Payable to Accountant General	7	77,474,890	14,558,219
100% Accountant General Assurance Fund	8	2,644,415	-
Payables and Accruals	9	34,444,284	46,554,518
Deferred Income - Eland	10	5,569,995	6,140,829
Estate Management	11	125,483,792	87,137,607
		<u>245,617,376</u>	<u>154,391,173</u>
Total Liabilities		<u>245,617,376</u>	<u>154,391,173</u>
Net Assets		<u>130,436,485</u>	<u>79,642,657</u>
Equity			
Capital - (GOJ Investment)	12	26,132,775	26,132,775
Donated Assets Reserve	13	46,878,854	40,785,854
General Reserve		57,424,856	12,565,028
MOF Financing		-	159,000
		<u>130,436,485</u>	<u>79,642,657</u>

Approved for issue on behalf of the Entity on Nov 08, 2011 and signed on its behalf by:


Mrs E. A. Stair - Chief Executive Officer


Mr. Everol Williams - Manager Finance

Statement of Financial Performance

For the year ended March 31, 2006

	Note	2006 \$	Restated 2005 \$
Income			
Registration Fees		441,749,591	373,987,622
Survey Fees		19,894,559	8,263,606
Valuation Fees		6,708,421	4,634,234
Estate Management Fees		589,507	811,042
Eland		8,208,373	-
Seabed Collections		13,799,589	55,916,492.58
		<u>490,950,040</u>	<u>443,612,997</u>
Expenses			
Staff costs	14	449,738,749	452,746,911
Rentals		2,407,769	2,179,490
Public Utilities		51,417,088	42,410,792
Goods and services		99,614,591	138,318,469
Retirement Benefits		3,822,055	8,878,542
Depreciation		12,629,688	12,455,437
Eland expenses		1,767,605	-
Seabed expenses		13,913,625	38,197,505
		<u>635,311,170</u>	<u>695,187,146</u>
Operating gain/(loss)		<u>(144,361,130)</u>	<u>(251,574,149)</u>
Transfer from Donated Asset Reserves		677,000	-
50% Revenue to GOJ		(232,630,147)	(193,848,252)
100% Revenue to GOJ		(3,164,895)	-
Net Surplus/(Deficit) before GOJ Financing		<u>(379,479,172)</u>	<u>(445,422,401)</u>
GOJ Financing from Consolidated Fund		424,339,000	515,706,000
Net Surplus/(Deficit) after GOJ Financing		44,859,828	70,283,599
Net surplus/(deficit) for the year		<u><u>44,859,828</u></u>	<u><u>70,283,599</u></u>

Statement of Changes in Equity

For the year ended March 31, 2006

Note	Capital GOJ Investment	General Reserve	Donated Assets Reserve	Total
	\$	\$	\$	\$
Balance as at April 1, 2004	26,132,775	(57,718,570)	40,785,854	9,200,059
Additions	-	-	-	-
Surplus/(Deficit) for the year	-	78,976,937	-	78,976,937
Prior year adjustments	-	(8,693,339)	-	(8,693,339)
Balance as at March 31, 2005	26,132,775	12,565,028	40,785,854	79,483,657
Additions	-	-	6,770,000	6,770,000
Surplus/(Deficit) for the year	-	44,859,828	-	44,859,828
Transfers from donated assets	-	-	(677,000)	(677,000)
Balance as at March 31, 2006	26,132,775	57,424,856	46,878,854	130,436,485

Statement of Cash Flow

For the year ended March 31, 2006

	Note	2006 \$	Restated 2005 \$
Cash flows from operating activities			
Net Surplus/(Deficit) before GOJ Financing		(379,479,172)	(445,422,401)
GOJ Financing from consolidated fund		424,339,000	515,706,000
Net Surplus/(Deficit) after GOJ Financing		44,859,828	70,283,599
Adjustments:			
Depreciation		12,629,688	12,455,437
Donated Assets		(677,000)	-
(Increase)/Decrease in Current Assets		8,878,725	(3,754,013)
Increase/(Decrease) in Current Liabilities		91,226,203	66,660,215
Net cash provided by operating activities		156,917,444	145,645,238
Cash flows from investing activities			
Capital expenditure		(17,311,412)	(9,620,668)
Additions to Donated Assets		(6,770,000)	-
Net cash used in investing activities		(24,081,412)	(9,620,668)
Cash flows from financing activities			
Donated Assets - Ministry of Land & Environment		6,770,000	-
MOF Financing		(159,000)	159,000
Net cash flows from financing activities		6,611,000	159,000
Increase/(decrease) in cash and cash equivalents		139,447,032	136,183,570
Cash and cash equivalents at beginning of year		170,674,790	34,491,220
Cash and cash equivalents at end of year		310,121,822	170,674,790

Notes to the Financial Statements

For the year ended March 31, 2006

1. Identification

The National Land Agency (NLA) was established as an Executive Agency on April 1, 1999. The principal activities of the Agency are the provision of an efficient and transparent land titling system which guarantees security of tenure; a National Land Valuation database which supports equitable property taxation; optimal use of Government owned lands; a basic infrastructure on which to build a modern spatial information system designed to support sustainable development. The NLA is regulated by the dictates of government policy and is mandated to achieve strict performance objectives as an Executive Agency.

2. Statement of compliance, basis of preparation and significant accounting policies

i. Statement of compliance

- a. These 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 Standards Board (IPSASB). IPSASs are based on the International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB) where the requirements of those Standards are applicable to the public sector and deal with Public Sector Reporting Issues not dealt with in IFRS's.
- b. The preparation of the financial statements to conform to 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.

Notes to the Financial Statements

For the year ended March 31, 2006

iii. Cash and cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and cash in hand.

iv. 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 entity will not be able to collect all amounts due according to the original terms of receivables.

v. Accounts payable and accrued charges

These are stated at cost.

vi. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight –line basis at annual rates to write off the assets over their estimated useful lives. Annual rates are as follows:

	%
Computers	20
Motor Vehicles	20
Office Equipment	10
Furniture & Fittings	10
Technical & Scientific Instruments	5
Plant and Machinery	10

Property, plant and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

vii. Amortization of Donated Assets Reserve

The reserve is written off on a straight line basis over the life of the assets.

viii. Foreign currency translation

Transactions in foreign currency are converted at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign

Notes to the Financial Statements

For the year ended March 31, 2006

currency are translated using the exchange rate ruling at the balance sheet date. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the profit and loss account.

ix. Provisions

Provisions are recognised 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.

x. Impairment and reversals of impairment

At the date of authorisation of the financial statements, there were no impairment reviews by the Agency. This lack of review is not expected to have a material impact on the financial statements.

xi. Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. The Agency's financial instruments at March 31, 2006 were receivables and payables.

xii. Revenue Recognition

Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the products.

Subvention is recognised on a cash basis.

Interest income is recognized in the income statement for all interest bearing instruments on an accrual basis unless collectability is doubtful.

xiii. Taxation

No provision has been made for taxation as the Authority is tax exempt as per section 12 (b) of the Income Tax Act.

Notes to the Financial Statements

For the year ended March 31, 2006

xiv. Deferred income

Amounts collected for services rendered are not recognised as income until the product/service requested are transferred to customers. The amounts relating to those products/service that have not been transferred to the customer by the Statement of Financial Position date are recognised as deferred income and included as income in the period in which the customer has been satisfied.

xv. Prior period adjustments

Material adjustments were made to the 2004/2005 financial statements in accordance with IPSAS 3. The adjustments were a combination of errors stemming from the exclusion of the Seabed Bank Account, unrecorded expenditure, income and over-provision for staff cost. The following adjustments were made to the affected line items.

Trade and Other Receivables	9,003,205
Cash and Bank	13,233,498
Payables and Accruals	<u>(30,930,041)</u>
Effect on Net Assets	<u>(8,693,338)</u>
Seabed Collections	55,916,493
Staff Costs	(1,412,326)
Goods and Services	(25,000,000)
Seabed Expenditure	<u>(38,197,505)</u>
Effect on Reserves	<u>(8,693,338)</u>

xvi. Financial risks

The Agency's activities expose it to a variety of financial risks: 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 analyse risk exposure and to set appropriate risk limits and controls and to monitor risk. The risk management framework is based on guidelines set by management and seeks to minimize potential adverse effects on the Agency's financial performance.

Notes to the Financial Statements

For the year ended March 31, 2006

a. Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. Accounts receivable and payable would be affected by this risk

b. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

c. 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:

	2006 \$	2005 \$
EMD Savings Account (SJBS) as at March 31st	107,701,696	67,363,118
	<u>107,701,696</u>	<u>67,363,118</u>

d. Liquidity risk

Liquidity risk is the risk that Agency will encounter difficulty in raising funds to meets its commitments associated with financial instruments. The risk is managed by maintaining sufficient cash and cash equivalents balances.

<u>2006</u>				
Financial Liabilities	Carrying Amount	Contract Amount	Due Within 3 months	Due Within 1 Year
Accounts Payable and Accruals	245,617,376	245,617,376	21,699,005	223,918,371
	<u>245,617,376</u>	<u>245,617,376</u>	<u>21,699,005</u>	<u>223,918,371</u>
<u>2005</u>				
Financial Liabilities	Carrying Amount	Contract Amount	Due Within 3 months	Due Within 1 Year
Accounts Payable and Accruals	154,391,173	154,391,173	12,823,193	141,567,980
	<u>154,391,173</u>	<u>154,391,173</u>	<u>12,823,193</u>	<u>141,567,980</u>

Notes to the Financial Statements

For the year ended March 31, 2006

e. 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 the following cash resources:

	2006	2005
	\$	\$
Cash and cash equivalents	310,121,822	170,674,790
Accounts Receivables and Advances	11,644,208	-
	<u>321,766,030</u>	<u>191,197,723</u>

3. Property, plant and equipment

	Fixtures & Fittings	Motor Vehicles	Plant & Machinery	Computers	Office Equipment	Technical & Scientific Instruments	Total
	\$	\$	\$	\$	\$	\$	\$
At							
Cost/Valuation							
April 1, 2005	16,539,786	13,860,800	10,068,567	35,042,328	4,096,593	3,687,701	83,295,775
Additions	4,185,021	-	18,750	11,119,210	1,988,431	-	17,311,412
Donated Assets	-	6,770,000	-	-	-	-	6,770,000
Disposals	-	-	-	-	-	-	-
March 31, 2006	20,724,807	20,630,800	10,087,317	46,161,538	6,085,024	3,687,701	107,377,187
Depreciation							
April 1, 2005	5,572,840	13,167,200	4,203,728	15,162,518	1,520,092	833,290	40,459,668
Depreciation charges	1,970,643	1,370,700	1,769,336	6,668,273	641,581	209,155	12,629,688
Disposal	-	-	-	-	-	-	-
Total Depreciation	7,543,483	14,537,900	5,973,063	21,830,791	2,161,674	1,042,445	53,089,356
NBV -March 31, 2006	13,181,324	6,092,900	4,114,255	24,330,747	3,923,350	2,645,411	54,287,831
NBV -March 31, 2005	10,966,946	693,600	5,864,839	19,879,810	2,576,501	2,854,411	42,836,107

Notes to the Financial Statements

For the year ended March 31, 2006

4. Trade and other receivables

	2006	2005
	\$	\$
Accounts receivable (returned cheque)	503,883	83,474
Accounts Receivable General	3,576,140	7,840,141
Seabed Receivable	121,629	9,003,205
	<u>4,201,652</u>	<u>16,926,820</u>
Other Receivables	23,211	23,211
	<u>4,224,863</u>	<u>16,950,031</u>

5. Prepaid Expenses and Advances

	2006	2005
	\$	\$
Prepaid expenses & advances	3,740,729	1,685,347
Travel Advances	-	3,750
Salary Advances	1,659,463	1,659,305
Stamp Imprest	179,000	179,000
Petty Cash Imprest Advances	49,500	45,500
Other Accounts Receivable (Valuation Services)	606,135	-
	<u>6,234,827</u>	<u>3,572,902</u>

6. Cash and cash equivalents

	2006	2005
	\$	\$
Cash at bank	305,511,160	169,636,754
Cash in hand	4,610,662	1,038,036
	<u>310,121,822</u>	<u>170,674,790</u>

7. Accounts payable to the Accountant General:

These amounts represent the required 50% remittance of gross revenue earned by the NLA, to the Consolidated Fund through the Accountant General. Movement in the account for the Year was as follows:

	\$
Amount owing to March 31, 2005	14,558,219
Amount per Income Statement	232,630,148
Less Amount Paid	<u>(169,713,477)</u>
Amount owing as at March 31, 2006	<u>77,474,890</u>

Notes to the Financial Statements

For the year ended March 31, 2006

8. Accountant General Assurance Fund:

These amounts are payments required under the Registration of Titles Act. 100% of amounts collected should be paid over to the Account General's Department.

	\$
Amount owing to March 31, 2005	-
Amount per Income Statement	3,164,895
Less Amount Paid	(520,480)
Amount owing as at March 31, 2006	<u>2,644,415</u>

9. Payables and accruals

	2006	2005
	\$	\$
Accounts Payable Suppliers	14,228,949	52,027
Salaries Payable – Statutory Deductions	7,951,692	8,252,430
Short Payment – Salary/Travel	1,020	1,020
UDC- Jamaica Conference Centre	-	25,000,000
Gratuity Payable	-	425,273
Customer Deposit Account	2,635,507	590,138
Other Payables	10,109,771	7,496,303
Seabed Payables	426,133	4,517,716
Capital 'A' Payables	(908,788)	219,611
	<u>34,444,284</u>	<u>46,554,518</u>

10. Deferred income:

This represents deposits from customers via the eland web-based service. The balance reflects those customers which have not utilized this service.

	2006	2005
	\$	\$
Deferred Income - Eland	5,569,995	6,140,829

Notes to the Financial Statements

For the year ended March 31, 2006

11. Estate Management Funds

This represents monies collected for the sale, rental or lease of Government owned property. The amounts collected are held in trust for the various agencies and are paid over accordingly. The balance on the fund is:

	2006 \$	2005 \$
Estate Management Reserves April 1st	451,542	436,987
Crown Property Sales (Deposit)	35,307,003	31,976,889
Land Settlement Deposits	5,611,285	3,635,594
Crown Property Sales (Installments)	64,980,099	36,117,148
Accommodation (Residential)	828,867	1,680,553
Accommodation (Commercial)	28,520	140,170
Sale of Accommodation Residential	14,277,600	1,992,600
Crown Lands Lease	198,112	6,605,465
Land Settlement Lease	400,506	4,268,471
Rental Received Commercial	-	(674,307)
Other Deposited Funds	73,218	-
Miscellaneous Revenue	18,400	214,995
Interest Earned	2,846,850	446,865
Land Settlement ½ Registration Cost	461,792	296,177
	<u>125,483,794</u>	<u>87,137,607</u>

12. Government of Jamaica Capital Investment

These amounts represent initial notional loans received from the Government of Jamaica deemed to be expended on capital assets retained by the Agency at April 1, 2001. This has now been converted to equity in line with a change in GOJ policy.

13. Donated Asset Reserve

This represents the residual value of the assets donated to the Agency by the Government of Jamaica through the Public Sector Modernization Programme on April 1, 2001. The values of assets were credited to the Donated Assets Reserve.

Notes to the Financial Statements

For the year ended March 31, 2006

14. Staff costs

	2006	2005
	\$	\$
Salaries	397,615,285	412,017,300
Travelling	<u>52,123,464</u>	<u>40,729,611</u>
	<u>449,738,749</u>	<u>452,746,911</u>

(I) Salary earnings over \$2M excluding traveling

Salary Bands (\$)	2006 No. of Staff	2005 No. of Staff
1,000,000 – 1,250,000	10	10
1,250,001 – 1,500,000	19	17
1,500,001 – 1,750,000	7	0
1,750,001 – 2,000,000	16	16
2,000,001 – 2,250,000	1	2
2,250,001 – 2,500,000	1	0
2,500,001 – 2,750,000	6	6
2,750,001 – 3,000,000	0	1
3,000,001 – 3,750,000	1	1
	61	53

(II) Executive Salaries

Executive Salaries	Salary	Travelling	2005/2006 Total
	\$	\$	\$
Chief Executive Officer	3,745,740	341,220	4,086,960
Director Corporate Services	2,664,365	341,220	3,005,585
Director Business Development & Technology	2,558,589	341,220	2,899,809
Director Corporate & Legal Services	2,664,365	341,220	3,005,585
Director Land Titles	2,728,453	341,220	3,069,673
Director Surveys & Mapping	3,261,511	341,220	3,602,731
Director Land Valuations	2,664,365	341,220	3,005,585
Director Estate Management	2,664,365	341,220	3,005,585
	22,951,753	2,729,760	25,681,513

Statement of Internal Control

Statement of Internal Control

In accordance with the Financial Instructions to Executive Agencies, the National Land 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 acquired a Financial Management System (GMax) in 2000 and commenced the preparation of its accounts using accrual based accounting on April 1, 2001. The staff members in the Finance and Administration Department are highly competent. It is continuously emphasized that each staff member must adhere to the policies and procedures in place as any deviation would result in disciplinary actions being taken. All systems require a password to access and there exists restricted access to pertinent data. Also, physical access by staff is restricted in areas such as the record storage vaults, print room, and the records and information management department.

- **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 directions issued by the Chief Executive Officer, usually in the month of October. During the exercise the previous year's performance is assessed, the strategic plans and justification for budgetary requirements are presented by the relevant Directors. These are evaluated and where applicable approved.

There exists timely management accounting reports in respect of unit cost and variances; comprehensive reporting on all Key Performance Indicators and targets. The monitoring of all contracts to ensure that value for money is achieved is an ongoing exercise.

Statement of Internal Control

Statement of Internal Control – continued

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 support and ensure that the Agency's financial framework is in place with respect to accountability, transparency, control and improved performance.

The Permanent Secretary of the Ministry of Health convenes quarterly 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 the professional expertise. Meetings are convened quarterly to review the Agency's performance and the board provides 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.

- **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.

CORPORATE INFORMATION

Corporate Office

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Fax (876) 978-0021

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Email: asknla@nla.gov.jm
Hotline: 1-888-991-LAND (5263)

Business Offices:

Land Valuation Division

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Fax (876) 978-7205

Land Titles Division

93 Hanover Street
Kingston
Tel: (876) 922-8535-7 / 8361 / 7565
Fax: (876) 922-3858

Surveys and Mapping Division

23 ½ Charles Street
Kingston
Tel: 876 922-6630-5
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Estate Management Division

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Tel: (876) 967-3879 / 3880
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Western Regional Office

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Montego Bay, St. James
Tel: (876) 952-5318 / 979-2663
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Estate Management Parish Offices:

RADA

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St. Thomas
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Fax: (876) 982-1443

RADA

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Port Maria, St. Mary
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RADA

Haughton Court
Lucea, Hanover
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RADA

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RADA

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Spanish Town, St. Catherine
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