



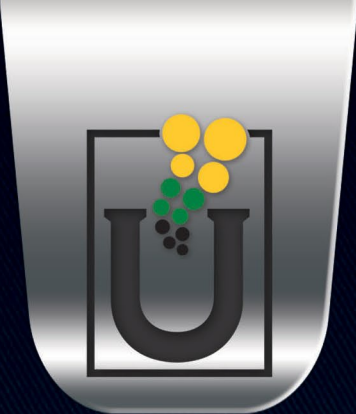
**UNIVERSAL  
SERVICE FUND**

**THEIR FUTURE  
BEGINS NOW**



ANNUAL  
*Report*  
2016 / 2017





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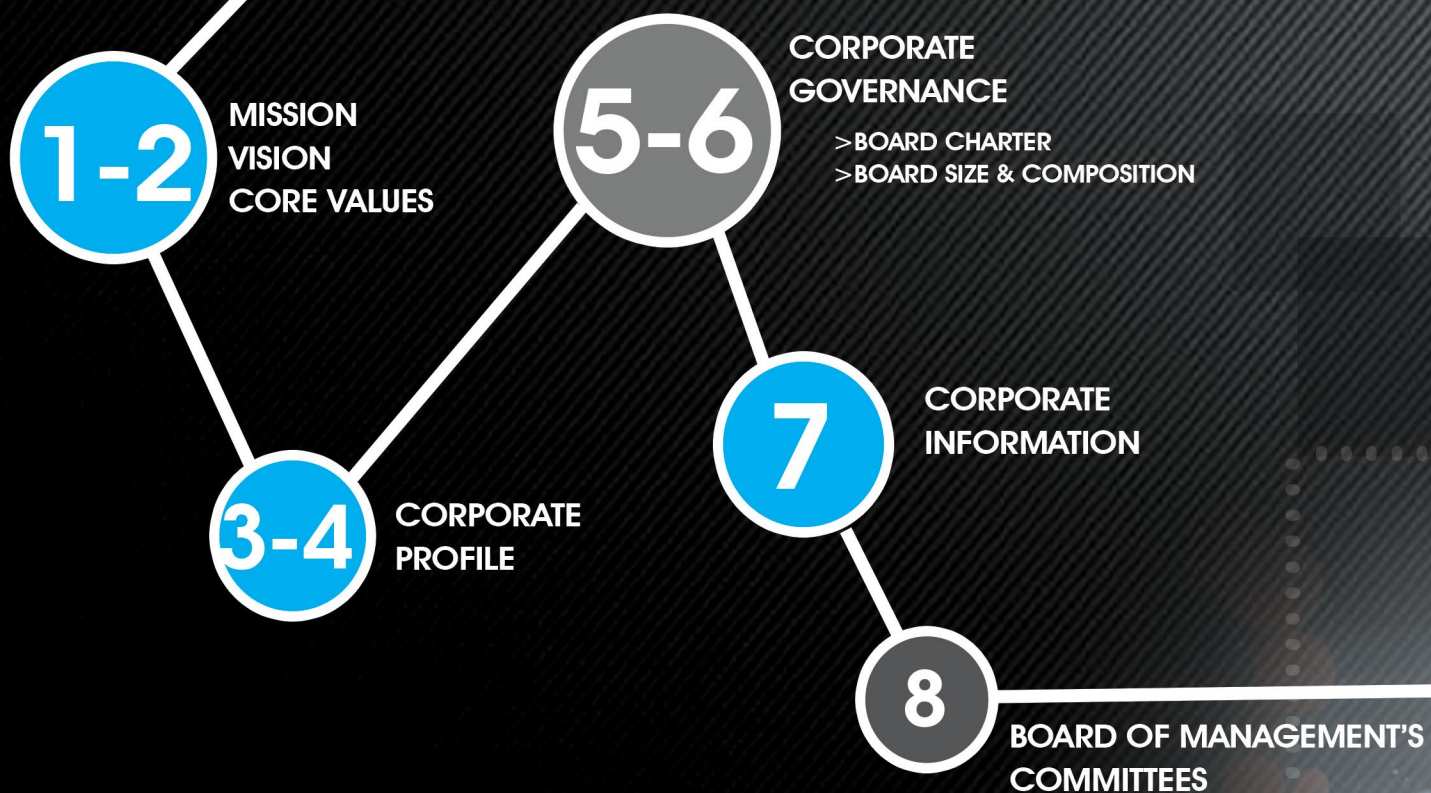






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# MISSION

**Our Mission is to positively impact Jamaica's socio-economic development by enabling a knowledge-based society through universal access to the Internet and digital inclusion.**

# VISION

**The Universal Service Fund, a purpose driven and solutions oriented employer of choice, has enabled a knowledge-based society with universal access to the Internet and digital inclusion, thereby fueling rapid socio-economic growth and development for Jamaica.**





# CORE VALUES

**TEAM WORK** Various arms of the organization working together to achieve common objectives.

**ACCOUNTABILITY** Taking ownership of, being answerable for and facing the consequences for failing to achieve objectives set and activities assigned

**RESPECT** Treating others equally while being mindful of others' time, effort and feelings.

**INTEGRITY** Being truthful in actions, words, deeds and intent.

**KINDNESS** Being unselfish in one's words, thoughts and actions. Giving love and care to each other while being compassionate to the needs of others.





# CORPORATE P R O F I L E

The Universal Service Fund (USF), is an Agency of the Ministry of Science, Energy and Technology, mandated to ensure access to information and communication tools in order to further Jamaica's plans towards development. In 2005, the USF began operations as the Universal Access Company Limited, following a Ministerial Order which posited that all domestic telecommunications providers, are obligated to collect a universal service levy on all inbound telephone calls. This levy has been imposed on all international calls terminating on local networks. Calls terminating on fixed lines, incur a levy of US\$0.03 and US\$0.02 on mobile lines.

Since 2005 we have worked tirelessly towards fulfilling our mandate of providing universal access to all Jamaicans regardless of age, class or geographic location. We are committed to ensuring that one of the greatest developmental tools in the world is available to our citizens in order to create a complete knowledge-based society.

In keeping with this overall mandate, the USF undertakes these core functions in an effort to provide the Fund with the requisite guidance that it needs to function daily. These functions include:

- Collecting the universal telecommunications services obligations levy from telecommunications companies;
- Analyzing projects which are within our

mandate and making the necessary recommendations for the approval of funding;

- Disbursing funds for the implementation of approved initiatives;
- Monitoring the implementation of projects;
- Managing and accounting for funds collected and disbursed; and
- Providing an island-wide broadband network that will allow public access to the information super-highway through high schools, public libraries, post offices and any other institutions approved by the Board of Directors.

June 1, 2012, marked the dawn of a new day; the Universal Service Fund was born and replaced the 2005 Universal Access Fund Company Limited which had by then served its purpose but needed a rebirth to meet the growing societal demands. This change was heralded thanks to the wisdom of Parliament in passing the Telecommunications (Amendment) Act, 2012.

The Telecommunications Act as amended, states that "the objectives of the fund shall be to support the implementation of the obligation to provide universal service, as approved by the Minister, in accordance with the principles set out in section 39 (2) and the use specified in section 42A"; this objective provides the driving force behind the Universal Service Fund as we contribute daily towards building a better Jamaica.





...Since 2005 we have worked tirelessly towards fulfilling our mandate of providing universal access to all Jamaicans regardless of age, class or geographic location. We are committed to ensuring that one of the greatest developmental tools in the world is available to our citizens in order to create a complete knowledge-based society.





# CORPORATE GOVERNANCE

## BOARD CHARTER

The Board of Management is committed to the achievement of business success and the enhancement of long-term value with the highest standards of integrity and ethics. In that regard, the Board has adopted these principles to provide an effective corporate governance framework for the USF, intending to reflect a set of core values that provide the foundation for USF's governance and management systems.

The Board and Management are joint responsibility for managing and operating USF's business with the highest standards of responsibility, ethics and integrity. In that regard, the Board expects each director, as well as each member of senior management, to lead by example in a culture that emphasizes trust, integrity, honesty, judgment, respect, managerial courage and responsibility.

Furthermore, the Board also expects each director and each member of senior management to act ethically at all times and to adhere to the policies, as well as the spirit, expressed in USF's Code of Conduct. The Board will not permit any waiver of any ethics policy for any director or executive officer.

It is the responsibility of the Board to direct, guide and oversee the conduct of USF's business and to ensure that the interests of the Government and People of Jamaica are being served. In carrying out that responsibility, the Board considers its primary functions to include the following:

- Management planning and oversight - Selecting, evaluating and compensating the Managing Director and planning for CEO succession; providing counsel and oversight in the selection, evaluation and compensation of, and succession planning for, other members of senior management; and approving the appointment and compensation of executive officers.
- Strategic and operational planning - Reviewing, understanding and approving long-term strategic plans and annual operating plans, and monitoring the implementation and execution of those plans.
- Major corporate actions - Reviewing, understanding and approving significant financial and business transactions and other major corporate actions.
- Financial reporting - Reviewing, understanding and approving financial statements and reports, and overseeing the establishment and maintenance of controls, processes and procedures to ensure accuracy, integrity and clarity in financial and other disclosures.
- Governance, compliance and risk management - Establishing and maintaining governance and compliance processes and procedures to ensure that USF is managed with the highest standards of responsibility, ethics and integrity.
- General advice to management - Providing general advice and counsel to the Chairman, the Chief Executive Officer and senior management in connection with issues arising during the course of managing USF's business.



## BOARD SIZE AND COMPOSITION

The board is currently comprised of 14 members who are of diverse backgrounds. This diversity, gives the USF the benefit of a wide wealth of knowledge and experience which undoubtedly has the USF poised towards further growth and development.

There are four committees which are commissioned to ensure the smooth running of key areas of operation within the USF. These committees are responsible for the closer monitoring of their respective areas; to lend their expertise to the particular area of operation and to provide regular updates to the Board at its monthly board meeting.

The committees are as follows:

- Audit Committee
- Finance Committee
- Projects Committee
- Strategic Planning Committee

### AUDIT COMMITTEE

The Audit Committee has been charged with the responsibility of assisting the Board of Management in fulfilling its responsibilities with regards to the integrity of the organization's financial statements and all other financial documents provided to the various stakeholders. The Committee also provides oversight as it relates to internal controls, independent auditing, and legal requirements with regards to ethical considerations.

Committee Members:

Mr. James Stewart  
Ms. Marcelle Smart  
Mrs. Simone Ramsey-Knight (co-opted)

### FINANCE COMMITTEE

The Finance Committee is responsible for the overall governing of the finances of the USF. The Committee's main focus surrounds the recommendations of financial policies that support the mandate of the USF. One of its core function includes overseeing the corporate finances of the organization. Though the Committee acts somewhat as an independent agent, all its undertakings must first be vetted and approved by the Board of Management.

Committee Members:

Mr. Robert Lawrence- Interim Chair  
Mr. Cecil McCain  
Ms. Monica O'Meally  
Ms. Suzette Buchanan

### PROJECTS COMMITTEE

The projects committee has been delegated the responsibility by the Board to assist in the fulfilment of USF's project management goals. The committee's vision is to create an effective, efficient and customer focused Public Body, that is guided by a policy framework, which provides for its effective oversight in order to ensure that the USF operates at the highest level of competence, transparency and governance for optimum performance across the public sector

Committee Members:

Ms. Carolyn Warren – Chairman  
Ms. Rochelle Cameron  
Ms. Maia Wilson  
Ms. Danielle Terrelonge Irons  
Mr. Owen Palmer  
Ms. Suzette Buchanan

### STRATEGIC PLANNING COMMITTEE

The Strategic Planning Committee of the Board, has been charged with assisting the Board in fulfilling its responsibilities for evaluating and monitoring the Fund's long and short-term strategic goals as presented by management to the Board. Additionally, the committee serves as a catalyst for the evaluation, monitoring, and implementation of the Fund's business strategies.

Committee Members:

Mr. Robert Lawrence  
Mr. Trevor Forrest  
Ms. Rochelle Cameron  
Ms. Maia Wilson  
Ms. Sherine Grant  
Ms. Marcelle Smart  
Ms. Suzette Buchanan





# CORPORATE INFORMATION

## REGISTERED OFFICE

Universal Service Fund  
4th Floor, PCJ Building,  
36 Trafalgar Road, Kingston 10,  
Jamaica, W.I.  
Tel: 876-926-1727  
Telefax: 876-960-8981  
Email: [info@usf.com](mailto:info@usf.com)  
Website: [www.usf.gov.jm](http://www.usf.gov.jm)

## AUDITORS

BDO  
28 Beechwood Avenue  
Kingston 5, Jamaica W.I.

## BANKERS

Bank of Nova Scotia  
82-84 Half Way Tree Road  
Kingston 10

National Commercial Bank  
1 Knutsford Blvd  
Kingston 5  
First Global Bank  
2 St. Lucia Avenue  
Kingston 5

Proven Wealth  
26 Belmont Road  
Kingston 5  
Sagcor Investments  
85 Hope Road  
Kingston 6

Jamaica Money Market Brokers  
11 Knutsford Blvd  
Kingston 5

## CORPORATE SECRETARY

Juliet Salmon  
Human Resource/ Administration  
Manager

## SENIOR OFFICERS

Suzette Buchanan  
Chief Executive Officer

Everold Simms  
Director of Projects

Violet Badroe  
Financial Controller

Juliet Salmon  
Human Resource/ Administration  
Manager



# BOARD OF MANAGEMENT'S COMMITTEES

## ATTENDANCE RECORD OF BOARD AND COMMITTEE MEETINGS

Below are the details of attendance for the meetings of the Board and its Committees.

Directors	Board	Projects	Audit	Strategic Planning	Finance
	11	8	4	8	7
	Meetings	Meetings	Meetings	Meetings	Meetings
Mr. Robert Lawrence	11			8	6
Ms. Sherine Grant	11		4	8	
Mr. Cecil McCain	11	6			3
Mr. Trevor Forrest	10	1		4	
Ms. Marcelle Smart	8		4	4	
Ms. Danielle Terrelonge Irons	7	5		2	1
Ms. Maia Wilson	7	4		3	
Ms. Rochelle Cameron	6	5		2	
Mr. James Stewart	7		4		
Mr. Owen Palmer	7	4			2
Ms. Monica O'Meally****	6				6
Ms. Suzette Buchanan	6	4		3	4
Mr. Hugh Cross*	3	2		2	
Ms. Patricia Henry**	2				
Ms. Gail Moss-Solomon***	1	1			

\*Mr. Hugh Cross was an ex-officio member as the CEO of the USF whose tenure ended in August 5, 2016

\*\*Director Henry resigned in October 31, 2016 and was replaced by Director Warren.

\*\*\*Director Moss-Solomon was an ex-officio member from Digicel whose tenure ended May 31, 2016 and was replaced by Director Maia Wilson.

\*\*\*\*Monica O'Meally appointed in August 8, 2016

**BOARD OF MANAGEMENT  
COMMITTEES**

USF Annual Report 2016/2017







# BOARD OF MANAGEMENT

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Ms. Monica O'Meally  
**DIRECTOR**



Mr. James Stewart  
**DIRECTOR**



Ms. Rochelle Cameron  
**DIRECTOR**



Ms. Carolyn Warren  
**DIRECTOR**



Ms. Marcelle Smart  
**DIRECTOR**



Ms. Danielle  
Terrelonge Irons  
**DIRECTOR**





**Mr. Robert Lawrence**  
**CHAIRMAN**



**Mr. Trevor Forrest**  
**DEPUTY CHAIRMAN**



**Ms. Suzette Buchanan**  
**DIRECTOR/CEO**



**Ms. Juliet Salmon**  
**CORPORATE SECRETARY**



**Ms. Maia Wilson**  
**DIRECTOR**



**Mr. Owen Palmer**  
**DIRECTOR**



**Mr. Cecil McCain**  
**DIRECTOR**



**Ms. Sherine Grant**  
**DIRECTOR**





# CHAIRMAN'S MESSAGE

MR. ROBERT LAWRENCE

It gives me great pleasure to present this report, on behalf of the Board of Management, my first as the Chairman of the Universal Service Fund (USF). This Board of Management was appointed on April 4, 2016 and subsequently assumed its responsibility for providing policy and strategic guidance by utilizing the committees established.

The 2016/17 fiscal year was characterized by efforts aimed at positioning the USF to advance closer to its strategic objectives, so as to fulfil its mandate, and meet the needs of the citizenry, in this new paradigm. The Board of Management oversaw the change in leadership and the refocusing of the strategic direction of the organization. Through this process, as of November 1, 2016, Ms. Suzette Buchanan was appointed as the entity's CEO. The Board of Management looks forward to a long-term collaboration with Ms. Suzette Buchanan as we face the new frontier as a team, determined to carry out the mandate of the USF.

Further, during the year under review, based on the strategic direction of the organization, the Board of Management emphasised the need for building institutional capacity and improving the gover-



nance framework, by putting into place; Board and Committee charters; and focusing on policies as required by the organization.

The USF also recognized the need for national awareness of the projects implemented by the organization and the benefits to be derived. As such, the USF increased its presence by accessing various social media platforms; the print media; the radio; and, through television infomercials.

The efforts of the USF in fulfilling its mandate regarding the Fixed and Wireless Broadband Programs, during the year, resulted in expenditures amounting to \$928.87 million. This amount was expended towards the execution of several community based and special projects, as well as the funding of the e-learning's Tablets in Schools project. Of importance was the introduction and execution of the new USFConnectJa Wi-Fi Projects, which saw the implementation of public Wi-Fi zones in strategic locations across the island. Whilst attaining successes in the implementation of these projects, the Board of Management is cognisant of the challenge faced in sustaining the level of funding required to continuously effect the USF's mandate.

Owing to the popularity of applications such as Skype, WhatsApp Voice Call, Facetime and Facebook Messenger, there has been a significant decrease in the revenue gained from the collection of levy from calls terminating in Jamaica. The viability and sustainability of the USF depends heavily on this revenue. The 2016/17 period saw total collection of \$1,370.12 million, which was approximately \$136.06M, or 9% below the previous fiscal year. The Government of Jamaica is well aware of this development and efforts are being made to address the situation.

In closing, it should be noted, that the successes of this year are the result of team work exhibited by management and staff, along with the support of the members of the Board of Management and our Minister and parent Ministry. I therefore take this opportunity to thank each and every one who contributed to the successes of the USF for the 2016/17 fiscal year and look forward to working with the team in the 2017/18 fiscal year.

Robert Lawrence  
Chairman





# CEO'S MESSAGE

MS. SUZETTE BUCHANAN

I consider it an absolute pleasure to join the Universal Service Fund's team at such a crucial juncture of its existence. The USF which was ushered in through the Telecommunications Act, has been given a mandate by parliament to partner in the country's drive towards development through the provision of universal access. This vision is the driving force behind the USF's day to day mission which our team works tirelessly to achieve.

At the beginning of the year, the USF had an approved staff complement of 17 members. Together, the team took some bold steps in order to fulfil the mandate given to them. These steps include:

- the expansion and standardisation of the Community Access Points (CAPs) programme
- the simultaneous launch of four public Wi-Fi hotspots
- the collaboration with the Caribbean Maritime Institute in its drive towards university status, through the donation of \$310,000,000.00.
- the expansion of our marketing and public relations campaign through the



production of infomercials and our partnership with a multimedia company tasked with strengthening brand USF to create a greater awareness of the Fund so that it will become even more accessible to those in need.

This year, the Universal Service Fund continued to make its presence felt island-wide through its Projects Committee. The USF has approved 45 additional CAPs across the length and breadth of the island at an estimated cost of \$195.80 million. We have further connected an additional 47 sites to our island-wide broadband network, implemented 20 special projects, 16 of which have already been completed and we continue to support the Tablets in Schools project of e-learning Jamaica.

While we continue to provide support to community organizations, in an effort to build their capacity, we also seek to advance the agenda of increased strategic partnerships for greater impact. We want to ensure that a rich variety of services are available to cater to the many social needs of our Jamaican citizens. In light of this, key players such as the National Housing Trust, the Social Development Commission, the National Youth Service, the Child Development Agency and HEART Trust NTA among several others have been engaged to join forces with us to actualise Jamaica's vision of becoming a healthy and well-rounded society.

As we embark on a new year, the USF family is excited to strengthen our resolve, deepen community impact, increase our presence by becoming a brand associated with development and ultimately play our part in making Jamaica a better country.

As we embark on a new year, the USF family is excited to strengthen our resolve, deepen community impact, increase our presence by becoming a brand associated with development and ultimately play our part in making Jamaica a better country.

Suzette Buchanan  
Chief Executive Officer





UNIVERSAL  
SERVICE FUND

***“BRINGING TECHNOLOGY TO THE STREETS.***

*Horace Jackson carts away with an unexpected gift from USF.”*





# CORPORATE PERFORMANCE

Bridging the information gap,  
Internet access for Everyone





## USF'S FIXED AND WIRELESS BROADBAND PROGRAMS

The USF's Fixed and Wireless Broadband Programmes are managed and implemented through the Project division, which is headed by the Director of Projects Mr. Everold Simms. During the fiscal year the USF implemented projects under the following programmes:

- Broadband Network Programme;
- Community Access Point programme;
- Special Projects programme;
- Gov-View programme; and,
- USFConnectJa Wi-Fi Projects.

### BROADBAND NETWORK PROGRAMME

The Broadband Network programme creates Jamaica's largest public broadband network linking Jamaican schools, post offices, public libraries, health sector and the Jamaica Constabulary Force. Construction work on the island-wide broadband network continued during the year with the connection of an additional 47 sites, bringing the total connected sites to 430.

### COMMUNITY ACCESS POINTS (CAP)

A Community Access Point project establishes an internet service facility, in collaboration with community organizations. This is done throughout Jamaica and is funded by the USF in furtherance of the Government's Universal Service Obligation. Computers, associated equipment, and internet access are provided to allow Jamaican residents to access the internet. CAPs enable members of Jamaican communities to use the internet at minimal or no cost to them to facilitate research, bill payments, educational development, communication, business, marketing, and social networking.



Mr. Everold Simms  
Director of Projects

During the year 45 additional Community Access Point projects island-wide were approved, at an estimated cost of \$195.8 million. Of the 45 approved Community Access Point projects, (including 26 carried forward from the previous year), 8 were completed during the year at a cost of \$30.58 million. This now brings the total number of CAP facilities in service to 255 at the end of the fiscal year.

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The table below shows the 8 projects completed during the fiscal year.

#	Project	Parish	Completed	Cost \$
1	Cascade Primary School Information Centre	Portland	April 2016	2,625,864.20
2	Bellefield CDC/Primary School	Manchester	April 2016	3,756,647.35
3	Manchioneal All Age School	Portland	June 2016	4,496,840.00
4	Adelphi Skills Training Centre	St. James	August 2016	4,162,164.00
5	Frankfield Primary and Infant School	Clarendon	August 2016	4,150,001.13
6	United African Benevolent Society	St. Andrew	September 2016	4,683,165.59
7	North Street SDA Learning Centre	St. Andrew	October 2016	2,927,626.36
8	Mount Peto Primary School	Hanover	January 2017	3,778,424.00
<b>Total Disbursed</b>				<b>30,580,732.63</b>

## SPECIAL PROJECTS

Projects that fall into this category are those that give infrastructural strengthening to government based institutions, to enhance their operational efficiencies. Organisations are chosen based on their national appeal and potential impact on the nation. These projects include the built out of structured network infrastructure, the acquisition of specialized software and simulators, installation of broadband networks, the installation of Wi-Fi services at designated locations and the acquisition of computers and computer related equipment.

For the 2016/17 fiscal year, 16 special projects were completed and 4 are still in progress. With the completion of these projects, the ICT infrastructure of these government institutions are strengthened, which will allow for greater operational efficiencies. These agencies will also be able to communicate

more efficiently amongst themselves, and with the general public.

## GOV-VIEW

During the fiscal year, the USF along with its partners, the National Works Agency and e-Gov Jamaica, has launched 'Project Gov-View' which is leading the charge in implementing real time video conferencing and tele-conferencing among government entities. The implementation of the Gov-View Project will facilitate or contribute to the government's cost cutting efforts by reducing travel cost of Ministers and department heads who are able to communicate from their offices. The project also aims to increase communication, collaboration and improve coordination during times of crisis and national security.

Project Gov-View is a pilot project using government's owned fiber-optic infrastructure. Over the next few years the USF along with its partners, e-Gov and the NWA will develop video conferencing service stan-

**CORPORATE  
PERFORMANCE**  
USF Annual Report 2016/2017



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dards to ensure interoperability across existing and proposed video-conferencing systems within the public sector so that they too, can benefit from these services. Project Gov-View aims to deliver a video tele-conferencing network among three government ministries: namely, the Office of the Prime Minister, Ministry of Finance and the Ministry of Science, Energy and Technology. It includes full installation, training and maintenance of the systems and related components.

## USFCONNECTJA WI-FI PROJECTS

The USFConnectJa project is the newest initiative undertaken by the USF, during the fiscal year. This programme is geared towards implementing free public Wi-Fi in strategic areas across the island. These areas include but are not limited to parks, town centres, districts and even stretches of roadway. The impact of the public Wi-Fi initiative, has been significant as it now stands as a key identifier of the USF with many Jamaicans. Interestingly, most governments, for their part, now see public Wi-Fi as part of the basic suite of urban infrastructure. The projects had a significant and wide reaching impact, providing internet access to thousands of Jamaicans as they go about their daily activities. The challenge however is the high cost associated with the project. The USF aims to mitigate against this challenge by implementing solutions through collaborative work with the National Works Agency (NWA). Success with the NWA will help greatly in future expansions and works on the USFConnectJA project.



**The USFConnectJa project is the newest initiative undertaken by the USF...**





# FINANCIAL MANAGEMENT

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Under the management of the Financial Controller, Ms. Violet Badroe, the USF through the Finance department continued to demonstrate astute management of the USF's finances.

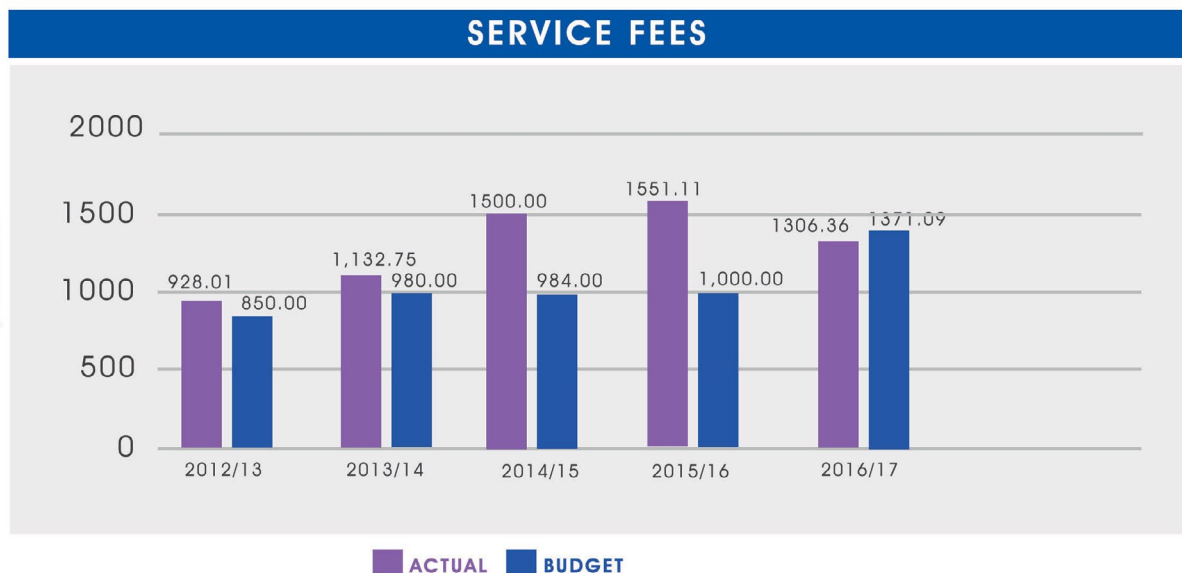
## REVENUE

The USF's primary revenue is the service levy charge per minute on incoming international calls terminating on local carrier's network, as per the Telecommunications (Amendment) Act, 2012. During the 2016/17 fiscal year, service levy collected amounted to \$1,307 million, which was below the budgeted amount of \$1,371 million.

This performance is a rarity when compared with the last 5 years, and may be attributed to the changes in the industry as Jamaicans and international callers alike, have found creative measures to communicate at a cheaper cost. This includes the use of Voice Over Internet Protocols (VOIP) in the form of WhatsApp, Facebook, Skype and other bypass mediums.



Ms. Violet Badroe,  
Financial Controller





The graph shows budget versus actual collection of service levy for the last 5 years.

Notwithstanding the above mentioned challenges during the year, the USF continued to apply strategies to reduce the gap between actual and budgeted revenues, by seeking to maximise collection by reducing delinquencies.

## INTEREST INCOME

In the second half of the financial year, through the support of the Portfolio Minister and the Ministry of Finance and Public Service, the investment portfolio was re-assigned to include National Commercial Bank and First Global Bank as new investors. This resulted in interest income of \$77.2 million surpassing the budget by approximately 50% because of higher yields in the interest rate earned.

## OTHER INCOME

All investment funds as at March 2008, and all service fees collected between the period March 2008 and May 2012 were lodged in special accounts in the Consolidated Fund with the Accountant General. In 2016/2017, these funds attracted a monthly interest at a rate of 3% on the Jamaican dollar denominated account and 0.41% on the US dollar denominated account (recorded as 'Other Income'). Other Income for the financial year 2016/2017 amounted to \$55.84 million or 32% above target.

**Expenditure:** USF incurred total expenditures (less depreciation and corporation tax) of \$1,066.26 million. Of this amount, projects (USF and e-Learning) accounted for \$928.87 million against a budgeted amount of \$1.75 billion. E-Learning in particular spent \$150 million, \$850 million less than was budgeted. This is as a result of their pilot project being extended to a later date and the fact that the Tablets in Schools programme still needed Cabinet's approval.

Administrative expenditure for the year amounted to \$142.394 million, which was \$52.307 million or 58% above 2015/2016 expenditure of \$90.087 million. The increase in expenditure was due primarily to, inter alia, the following:

- Salaries and related costs – increased staff complement.
- Professional fees (Legal) – contracts for public Wi-Fi.
- Advertising and promotion – robust strategies to include printing and other media.

## AUDIT MATTERS

The Auditor General conducted its activity-based audit of the USF in 2015. Two main concerns outlined were:

1. The late submission of traffic reports from the terminating carriers, and
2. The over 90 days' balance of \$78.0M recorded in accounts receivables.

For the 2016/2017 fiscal year, based on strategies employed, there was a reduction in late submission of traffic reports. This trend is expected to continue. The USF has also strengthened the management of its delinquency accounts, with over 90 days' receivables under \$35.0M at year end. Total receivables at year end were under \$350.0M, \$45.77M less when compared to the \$395.77M recorded for 2015/2016.

## INTERNAL AUDIT

The USF's internal audit function has administrative and reporting lines through the Chief Executive Officer and the Audit Committee respectively; which confirms the organizations commitment and conformity to international best practices. In keeping with the International Standards for the Professional Practice of Internal Auditing, the Unit remains committed to supporting the organization in the achievement of its strategic objectives by providing value-added solutions to the different business functions. This was facilitated through independent assessments of the control environment, a wide range of audits

**FINANCIAL  
MANAGEMENT**

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and other assurance services. Throughout the year, great emphasis was placed on conducting risk based audits to identify significant risk exposures to the organization. This was also done to provide senior managers with solutions to mitigate such risks through the implementation of adequate controls.

During the year under review, eight (8) assignments were completed ranging across the following categories:

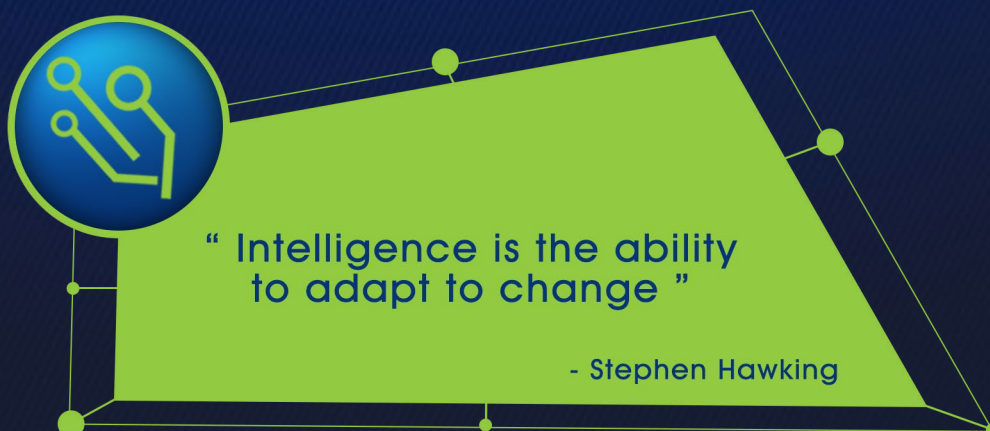
- advisory services,
- special review,
- operational audit,
- follow ups, and
- compliance audit.

Auditing of our various departments was

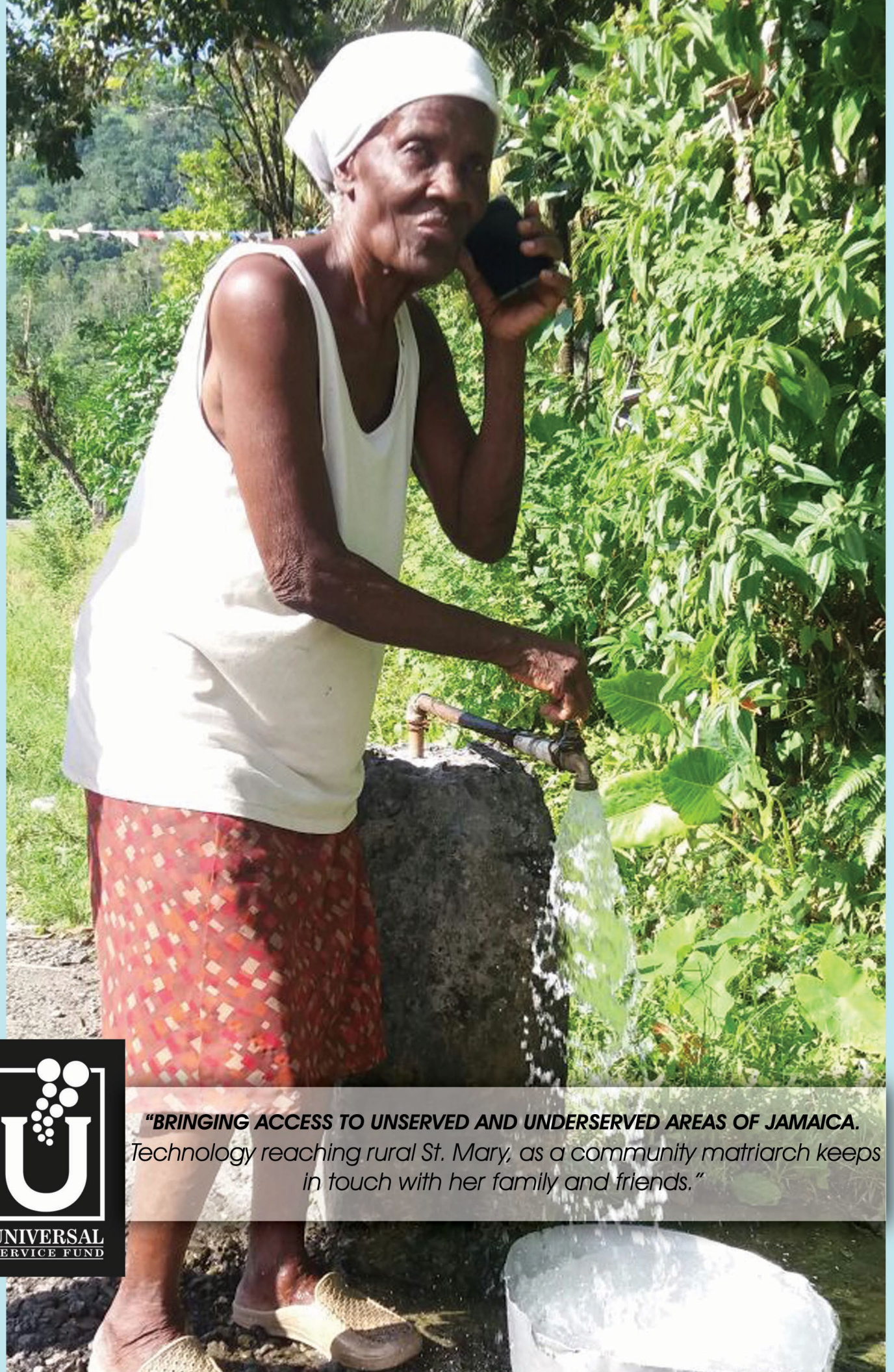
done at least once for the financial year in review. The finding of these audits were then reviewed by the Audit Committee. The Fund also made steady improvements in the implementation of recommendations to strengthen its governance, risk control (GRC) and internal control processes and systems.

As the organization implements its new strategic initiatives for the 2017/18 financial year, the Unit will place focus on providing value added support to assist in the mitigation of emerging risks that will arise along with risk based and independent assessments of operations and the necessary advisory services to all departments. Continued efforts will also be given to monitoring implementation of recommendations and improvement in GRC processes and systems.

**“...support information and communications technology programmes that specifically target vulnerable groups, including low-income households, the elderly, the youth and disabled persons.”**







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**"BRINGING ACCESS TO UNSERVED AND UNDERSERVED AREAS OF JAMAICA.**  
*Technology reaching rural St. Mary, as a community matriarch keeps  
in touch with her family and friends."*





# HUMAN RESOURCE MANAGEMENT

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Internet access for Everyone





The Human Resource/Administration Department, led by Ms. Juliet Salmon, Human Resource Manager, provided critical support to the organization during the fiscal year. Responsibilities related to staffing, talent management, training and development, personnel management, office administration, and procurement management.

## STAFFING

The approved staff complement of the USF remained at a total of 17 throughout the year. However, for greater efficiency and toward fulfilling the organizations mandate, temporary help was secured for periods up to one year.

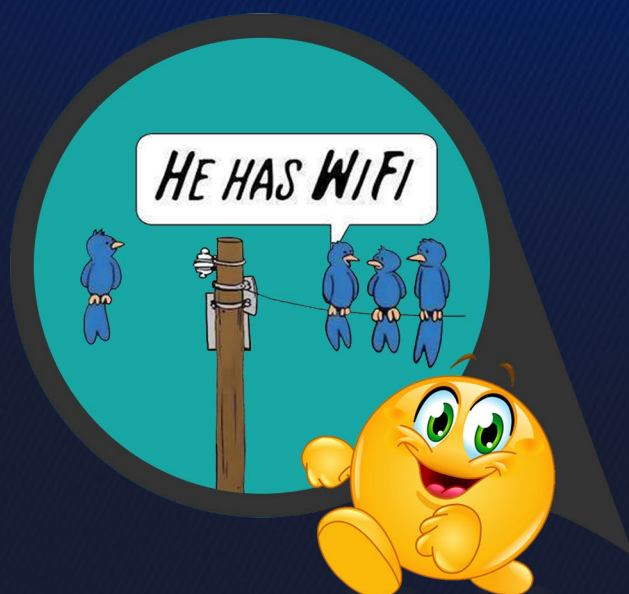
A proposed Organization Structure to support the organization's Strategic Transformation Plan 2017/2021, along with the proposed compensation and position descriptions were prepared and submitted to the Ministry of Finance and the Public Service to secure approval.

This approval which is being anticipated would result in an increase in the staff complement to at least 31 full-time employees which would serve to further our mission towards providing universal access.



Ms. Juliet Salmon,  
Human Resource Manager

**The Human Resource Department, concentrated efforts on better enabling staff to effectively and efficiently carry out their functions, through specialised training programmes.**



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**HUMAN  
RESOURCE  
MANAGEMENT**

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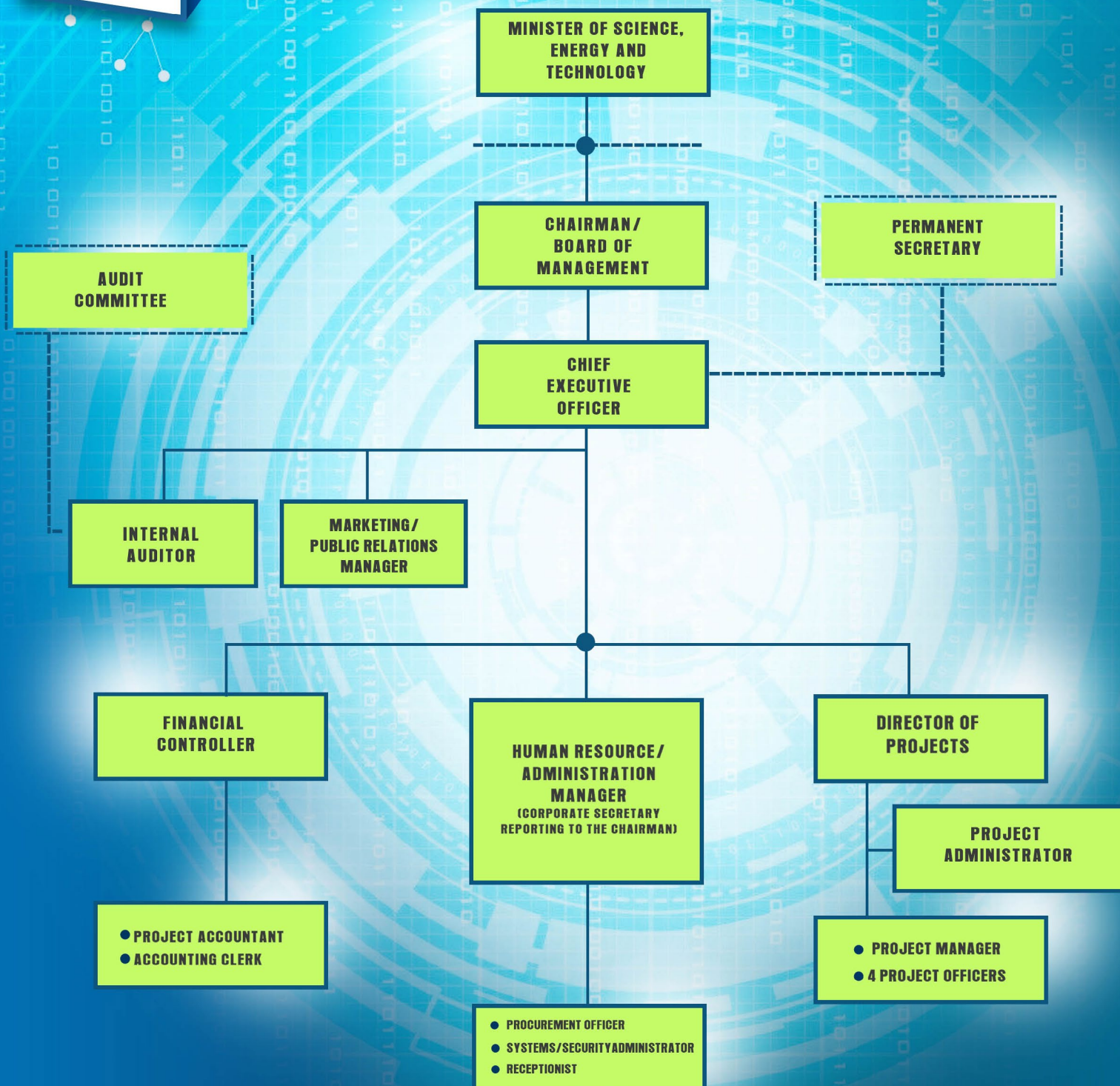






# ORGANIZATIONAL CHART

## AS AT MARCH 31, 2017





## TRAINING AND DEVELOPMENT

Efforts were concentrated on feverishly advancing the training and development programme as well as the provision of much needed assistance with tuition costs for members of staff of the USF; these plans were put in place to ensure that the employees are properly equipped and aligned to its succession plan as well as their own continued personal development.

The USF embarked on a venture to implement new and diverse projects across the island, where the employees were assigned greater and multifaceted duties. This change in landscape, dictated that the employees' successful performance of these duties would require a strengthening of their technical capabilities, which was subsequently achieved. The Human Resource/ Administration Department, therefore, concentrated efforts on better enabling staff to effectively and efficiently carry out their functions, through specialized training programmes, designed to equip staff with the requisite and current job knowledge to contribute fully towards the organization's strategic objectives.

The Staff Training and Development Programme was aimed at building on employees' work capacity, increase competencies, augment the organization's overall talent pool, and better manage the knowledge within the organization. Specific areas were targeted for training interventions and opportunities provided during the year. Some of the training accessed by staff included the following.

- Principles and Practices of Project Management;
- Certified Public Accountant (CPA);
- International Financial Reporting Standards; (IFRS) Workshop;
- Budget Preparation and Management;
- Government Accounting Level 1: Module 2;
- Government Accounting Level 1: Module 1;
- State Protocol and Business Etiquette;

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- Credit Risk Management;
- CSME Public Procurement;
- Observation and Testing of Live Demo of Fortinet's Security Solution;
- CARICOM: Level 1- Training in Competition Law and Policy Level 4 of 4;
- Performance Auditing and the Procurement Function;
- The Corporate Secretary's Toolkit: Effective Governance, New Trends and Tips;
- Succession Planning Workshop; and,
- The Exceptional Receptionist

## STAFF WELFARE

The USF continued to cater to the welfare of its staff through the continuation of several staff welfare activities; such activities include: the continuation of the provision of a birthday gift to all members of staff, bun and cheese at Easter time, staff gift at Christmas time, and celebratory or sympathy baskets and cards as the need arises. Other staff welfare activities to include staff socials, and retreats, would be developed and implemented during the coming year; to help foster a wholesome working environment and experience.

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# INFORMATION TECHNOLOGY

The significance of Information Communication Technology (ICT) for business and society is not only an economic issue but it is just as important in a business management context. Information and communication technologies not only play an essential role for entire industries and sectors, they are also equally important within individual enterprises. In recognition of the role of ICTs and its influence on achieving efficiency, during the fiscal year, the USF focused on upgrading its equipment and ICT infrastructure.

Upgrades were made to all areas of the USF's infrastructure to enable departments to improve on their deliverables. In light of

the global security threats, the USF made important strides in securing its internal and external infrastructure through staff awareness and the installation of Next Generation Security equipment. Additionally, as at the end of the fiscal year, the USF was on track to implementing an Intranet to act as the main catalysis for a digital workplace. The efforts of the USF will continue into 2017/18 fiscal year as we seek to apply IT solutions in achieving the organization's objective.





# USF



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# MARKETING & PUBLIC RELATIONS

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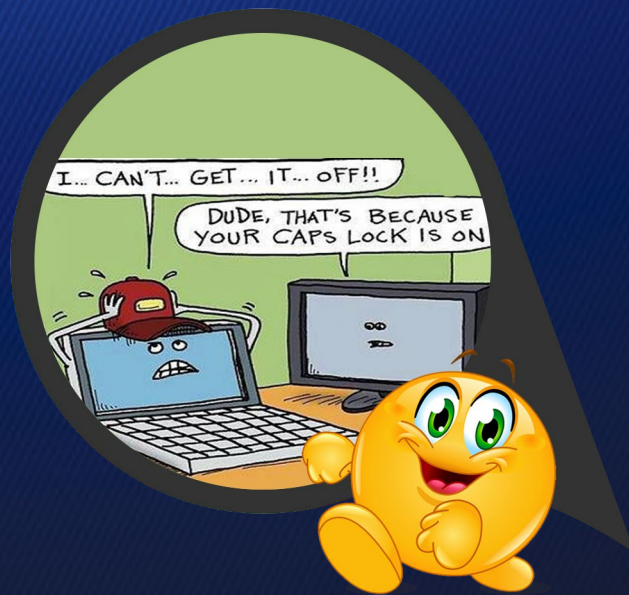
As part of the thrust towards increasing visibility and awareness during the fiscal year, the USF marketing and public relations department, placed a special emphasis on marketing the organization and its work towards universal access in Jamaica. While implementing the projects which enables access to the internet, the USF recognized that it was equally important for the citizenry of Jamaica to be aware of the works being done by the USF and the benefits that they would be exposed to by way of these projects.

During the year, the USF utilized different strategies in its public relation efforts, which included the following:

- increase use of social media;
- rebranding of the USF;
- launching of "Tech Tales", a 5 minutes television programme;
- infomercials on both television and radio;
- re-design of the Corporate Logo;
- designed New Product /Service Logos;
- the handover of cheques to support ICT development within Government organizations;
- the organization of four simultaneous outside broadcasts for the Public Wi-Fi launch at Mandela Park, Junction, Mandeville Park, Downtown and the upgrade of Devon House;
- promotional launch of our Strategic Partnership Quest.



Hon Dr. Andrew Wheatley handing over \$41.8 million to the Jamaica Constabulary Force



**MARKETING  
& PUBLIC RELATIONS**

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# CORPORATE SOCIAL RESPONSIBILITY

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**UNIVERSAL  
SERVICE FUND**

[WWW.USF.GOV.JM](http://WWW.USF.GOV.JM)



We pledge to  
be the key driving  
force in the  
achievement of  
a knowledge-based  
society.

This will be  
accomplished  
through the  
continued provision  
of technological  
tools and Broadband  
Services in  
critical areas,  
positioning our  
Country as pioneers in  
Innovation"



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Internet access for everyone*

# THEIR FUTURE BEGINS NOW...



**"Reaching out to ensure that  
technology is within their reach"**

AN AGENCY *fuelling growth* OF THE MINISTRY OF  
SCIENCE ENERGY AND TECHNOLOGY



A large portion of the day to day activities of the USF incorporates corporate social responsibility. Though we are specifically mandated to bring access to the wider Jamaica, the heart of what we strive to do daily, is to touch lives in a meaningful way.



The USF often extends its reach even further to cater for needy communities through activities such as the following:

- children's treat;
- donations and general support to the disabled community; and,
- youth empowerment - through the employment of summer workers, which provides them with much needed work experience and aid towards their tuition fees.

- provision of internship opportunities through the Heart School Leaving Opportunities Programme where we employed two students for one year; and
- the provision of 3 scholarships through the USF postgraduate ICT scholarships programme where we awarded scholarships to three students one of each enrolled at UWI, Utech and NCU. Each scholarship is valued at \$500,000.00 per year for two years.



" People who are crazy enough to think they can change the world are the ones who do. "

- Steve Jobs





*"Minister Wheatley taking time out to spend time with young Alex who is visually impaired."*





# LOOKING AHEAD

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The USF will continue its effort to ensure universal access across Jamaica. This includes continuing the restructuring of the organization to be positioned to fulfill its mandate and better serve the nation. The USF has therefore developed a Corporate Strategic plan, which outlines the plans to transform the organization to effectively deliver on its mandate and mission in a sustainable manner.

## USF 2017-2018 FINANCIAL YEAR BUDGET AND KEY PERFORMANCE INDICATORS

COLLECTION	TARGET \$M	KEY PERFORMANCE INDICATOR (KPI)
>SERVICE FEES	1,290.00	95% OF TARGET
>INTEREST INCOME	15.75	95% OF TARGET
REVENUE		
>SERVICE FEES	1,300.00	90% OF TARGET
>INTEREST INCOME	21.00	100% OF TARGET
>OTHER INCOME	43.20	100% OF TARGET
EXPENDITURE		
>USF PROJECT	600.00	100% OF TARGET
>E-LEARNING	450.00	100% OF TARGET
>ADMINISTRATIVE	312.00	90% OF TARGET



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## USF'S 4 YEAR PERFORMANCE INDICATORS AND TARGETS

PURPOSE-DRIVEN PERFORMANCE INDICATORS		PERFORMANCE TARGETS			
		2016-17 BASE	2020-21 Y4	4-YEAR % GAP	2017-18 Y1
UNIVERSAL ACCESS TO INFORMATION SUPERHIGHWAY	1. PERCENTAGE OF JAMAICANS WITH INTERNET ACCESS, %	55%	80%	45%	60%
	2. WORLD ECONOMIC FORUM NETWORKED READINESS INDEX (OR EQUIVALENT)	3.9	5.0	28%	4.1
	3. ICT LITERACY RATE	88%	96%	9%	90%
ACCESS TO BROADBAND SERVICES	4. MOBILE BROADBAND PENETRATION (PERCENTAGE OF PERSONS WITH ACCESS TO MOBILE INTERNET), %	33%	80%	142%	50%
	5. FIXED BROADBAND PENETRATION (PERCENTAGE OF PERSONS WITH ACCESS TO FIXED BROADBAND), %	53%	80%	51%	65%
DISBURSING FUNDS TO APPROPRIATE PROJECTS	6. PERCENTAGE OF COMPLETED PROJECTS MEETING AT LEAST 80% PRE-DETERMINED OBJECTIVES, %	20%	90%	350%	70%
	7. PERCENTAGE OF ACTIVE (VALUE) PROJECTS ON TRACK WITH COST, %	80%	90%	12%	85%
	8. PERCENTAGE OF ACTIVE (VALUE) PROJECTS ON TRACK WITH TIME, %	60%	90%	50%	70%
FINANCIAL PERFORMANCE	9. PERCENTAGE OF ANNUAL INFLOWS INVESTED IN PROJECTS, %	40%	80%	100%	50%
	10. RATE OF RETURN ON INVESTED FUNDS RELATIVE TO THE GOJ TREASURY RATE, %	0.5 PPT.	0.5 PPT.	0%	0.5 PPT.

In closing the Board of Management takes this opportunity to thank everyone that contributed to the achievements of the organization for the 2016/17 fiscal year. The Board also wishes to specifically highlight and thank the management and members of staff, for their continued dedication, resilience, and professionalism in carrying out their responsibilities. The Board also wishes to extend thanks to the Hon. Dr. Andrew Wheatley and his team at our parent Ministry, for their continued support during the period under review. As a Board, we eagerly look forward to continuing the work started together as a team in the 2016/17 fiscal year and to advance the company closer to its strategic objectives in 2017/18.

Regards,  
Robert Lawrence  
Chairman

CLOSING REMARKS

LOOKING  
AHEAD  
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## DIRECTORS' COMPENSATION FOR 2016/17

POSITION OF DIRECTOR	FEES (\$)	MOTOR VEHICLE UPKEEP/ TRAVELLING OR VALUE OF ASSIGNED MOTOR VEHICLE (\$)	HONORARIA (\$)	ALL OTHER COMPENSATION INCLUDING NON-CASH BENEFITS AS APPLICABLE (\$)	TOTAL (\$)
R. LAWRENCE - CHAIRMAN	314,500	—	—	—	314,500
T. FOREST - VICE CHAIR	159,750	—	—	—	159,750
C. MCCAIN	239,300	—	—	—	239,300
D. TERRELONG-IRONS	110,400	—	—	—	110,400
G. MOSS SOLOMON	16,550	—	—	—	16,550
J. STEWART	101,050	—	—	—	101,050
M. WILSON	126,850	—	—	—	126,850
M. SMART	143,400	—	—	—	143,400
M. O'MEALLY	121,300	—	—	—	121,300
P. HENRY	22,000	—	—	—	22,000
R. CAMERON	132,400	—	—	—	132,400
S. GRANT	209,600	—	—	—	209,600
S. RAMSEY KNIGHT	11,100	—	—	—	11,100
C. WARREN	57,050	—	—	—	57,050
O. PALMER	147,200	—	—	—	147,200
TOTAL	1,912,450	—	—	—	1,912,450

## SENIOR EXECUTIVES' COMPENSATION

POSITION OF DIRECTOR	YEAR	SALARY (\$)	GRATUITY OR PERFORMANCE INCENTIVE (\$)	TRAVELLING ALLOWANCE OR VALUE OF ASSIGNED MOTOR VEHICLE (\$)	PENSION OR OTHER RETIREMENT BENEFITS (\$)	OTHER ALLOWANCES (MEAL ALLOWANCE) (\$)	NON-CASH BENEFITS (\$)	TOTAL (\$)
CHIEF EXECUTIVE OFFICER (2016 APR-AUG 4)	2016/2017	2,739,882	-	482,826	-	43,943	-	3,266,651
CHIEF EXECUTIVE OFFICER (2016 NOV-2017 MAR 31)	2016/2017	3,223,593	693,825	1,219,844	-	52,635	-	5,189,897
DIRECTOR OF PROJECTS	2016/2017	4,546,388	1,199,683	1,341,624	-	125,551	-	7,213,246
FINANCIAL CONTROLLER	2016/2017	3,917,445	1,119,643	1,341,624	-	125,551	-	6,504,263
HUMAN RESOURCE /ADMIN. MANAGER	2016/2017	2,969,364	843,981	1,341,624	-	125,551	-	5,280,520





# USF IN NUMBERS

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**\$1.370  
BILLION**

EARNED IN  
SERVICE FEE  
LEVY

**\$928.87  
MILLION**

SPENT ON  
FIXED & WIRELESS  
BROADBAND  
PROGRAMS

**45 NEW  
COMMUNITY  
ACCESS POINTS**

*Bridging the  
information gap...  
Internet access  
for everyone*

**\$195.8  
MILLION**

SPENT ON  
COMMUNITY  
ACCESS POINTS

**47 NEW  
CONNECTION  
SITES**

**6 NEW  
PUBLIC WIFI  
HOTSPOTS**

