

STATEMENT

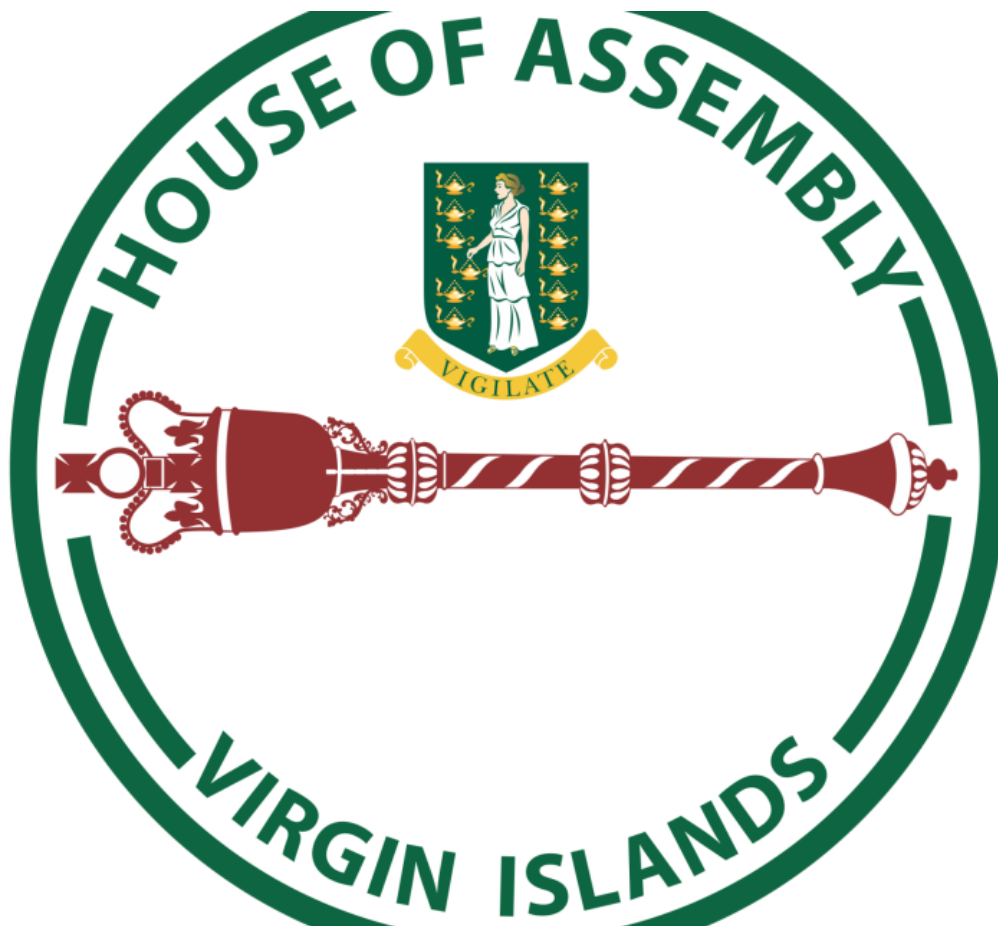
Tel: (284)468-2730

Official Government Website:

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House of Assembly of the Virgin Islands Clarifies Context of Auditor General's Report on 2024 Salary Adjustments 21 September, 2025

Release Date: 22 September, 2025



The release of the recent Auditor General's report has prompted significant public discussion, particularly around the adjustments made to the compensation of elected Members of the House of Assembly. The level of public interest underscores the importance of transparency and clear communication regarding the decisions taken, the rationale behind them, and the processes that were followed.

This response provides a detailed explanation of the context, procedures, and justifications for the adjustments to Members' compensation, as well as an overview of the proportionate financial impact within the broader public sector salary review exercise.

1. Transparency of the Process

Contrary to the Auditor General's report and public speculation, there was no secrecy surrounding the adjustments to Members' compensation. The compensation review of the Government of the Virgin Islands was delegated to senior public officials whom at all material times had care and control of the process. It was carried out under the advice, recommendation, and direction of the Deputy Governor's Office (DGO), which is responsible for human resource policy within the public service. This provided a layer of independent oversight and accountability. The House of Assembly had no direct or indirect input in the process or the findings of the report, which was produced by PwC Advisory Services Limited.

The decision that was made by the Members, on the strong recommendation of officials, was then captured in the \$11.1 million estimate for public sector salary reviews. At all times, the process followed the normal legislative and budgetary framework, and the discussions took place in forums designed for such deliberations.

The amount of the Members' increase would have been documented in the Estimates for the Year 2024, which was passed in the House of Assembly and made public; and in January 2024, the matter of salary increases was locally circulated in the news to which Members spoke publicly on the topic.

2. Rationale for Adjustment: Fairness and Parity

Members were informed of several factors, which are not limited to those set out within this response; one of the central rationales for the need to adjust Members' compensation was the issue of parity with senior public officers. At the time of review, several senior civil servants, including Permanent Secretaries, Department Heads, and Managing Directors of statutory boards, were earning higher salaries including allowances, than elected Members of the House of Assembly.

According to the report, this was despite the fact legislators bear higher constitutional responsibilities, including law-making, fiscal approval, and oversight functions critical to good governance. The review concluded that the pay imbalance undervalued the role of Members relative to senior posts in the public service. Correcting this disparity was considered essential to maintaining the integrity of the legislature as an institution and ensuring that compensation reflects constitutional responsibility.

3. Historical Stagnation and Percentage Impact

The adjustment appears large when expressed as a percentage increase because Members' base salaries had remained unchanged since 1995, nearly 30 years without any review or incremental adjustments. Unlike public officers, who may receive periodic increments and cost-of-living adjustments, Members' base salaries had remained flat over this entire period.

When viewed in real (inflation-adjusted) terms, Members' compensation had declined significantly over time, eroding the financial viability of full-time legislative service for some individuals.

4. Base Salary Context

Prior to the adjustment, the base salary for an ordinary Member of the House of Assembly was **\$36,000 per year**, one of the lowest in the region.

- The low salary risked dissuading qualified candidates from seeking office, particularly those who might otherwise face financial difficulty stepping away from current careers.

- By comparison, legislators in other Overseas Territories (Bermuda, Cayman, Turks & Caicos) and small jurisdictions receive salaries comparable to or above their senior public officers.

Bringing compensation in line with regional benchmarks was thus considered essential to sustaining a strong, representative legislature.

5. Recommendations from the PwC Report and Deputy Governor's Office

Both the **PwC Compensation Review Report** and senior officials supported placing Members at the maximum recommended tier. Their reasoning included:

- **Improving Representation** – Correcting perceptions that extremely low salaries hindered Members' ability to perform their duties effectively and dissuaded those who might seek office but might face financial difficulties stepping away from their careers.
- **Parity with Senior Officers** – Ensuring that those entrusted with constitutional responsibilities are compensated appropriately relative to senior civil service leadership.
- **Addressing 30 Years of Stagnation** – Restoring the real value of salaries after nearly three decades without adjustment.
- **Regional Alignment** – Ensuring the Virgin Islands aligns with peer jurisdictions, particularly other UK Overseas Territories.

6. Financial Proportion of the Increase

The adjustment represents a **small portion** of the overall salary review package; Members' adjustments account for approximately **2.9% of the total 2024 salary increase package** (valued at \$27.7 million); and the bulk of the funding was directed toward increasing salaries across the wider public service, rather than being concentrated on Members alone.

The decision was in line with what was recommended by senior officials and financial information provided by the Office of the Financial Secretary, which they believe to be an informed decision at that time.

7. Oversight and Accountability Measures

The Premier and Public Accounts Committee (PAC) took steps to ensure proper oversight through the request for the salary overage to be investigated. PAC being a committee of the House of Assembly, this represents an important exercise of parliamentary oversight and confirms that the legislature is committed to holding itself and the public service accountable.

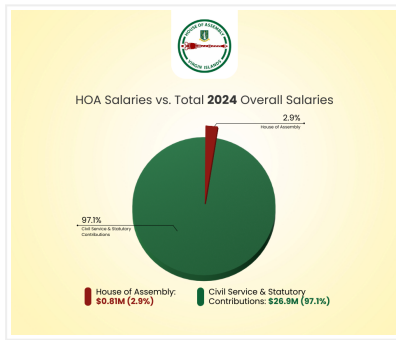
The House of Assembly reaffirms its commitment to accountability, transparency, and due process. We acknowledge the concerns raised by the public and assure the people of the Virgin Islands, as well as the wider international community, that these issues are being taken seriously.

The adjustments to Members' compensation were neither arbitrary nor secretive. They were based on professional advice, tied to a broader public service salary review, and aimed at restoring fairness, parity, and sustainability for the institution of the legislature. The people of the Virgin Islands can be reassured that the House will continue to ensure that its decisions are evidence based, transparent and subject to appropriate scrutiny.

For Additional Information Contact:

Giovanni Herbert
Public Relations Officer
House of Assembly
Telephone: 1(284)468-6909
Email: gherbert@gov.vg
Facebook: <https://facebook.com/HOABVI>
Youtube: @houseofassemblyvi2922

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Additional Documents or Media

- [statement_hoa_clarifies_context_on_the_auditor_general's_report.pdf](#)