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PRESS RELEASE

OfReg has had a difficult first few years but improvements are being made

The report *“Efficiency and Effectiveness of the Utility Regulation and Competition Office (OfReg),”* issued by the Office of the Auditor General (OAG) today evaluated the effectiveness of OfReg in its first three years of operation.

The report reviewed OfReg’s legal framework and governance; strategy and performance; value for money; and assessments done on the impact of its regulatory decisions.

“OfReg has had a difficult first few years with, among other things, inconsistent leadership and limited governance and oversight.” says Ms. Winspear. “A number of the challenges it faced can be attributed to the merger being poorly planned in the first place.”

The report highlights that the legal framework is generally clear although there are inconsistencies and conflicts in laws that need to be fixed.

“The board has not always functioned as we would expect although governance and oversight have improved over the three years.” The Auditor General adds “I have made a number of recommendations to further strengthen governance, some of which will require legislative changes.”

The report states that organisations are better focused on achieving results and outcomes and better able to improve their performance when they have well designed performance measures and targets in place and can take corrective actions as a result of effective monitoring and reporting.

Ms. Winspear says “The overall aim of the audit was to assess the efficiency and effectiveness of OfReg. However, this has proven impossible to do due to a lack of performance measures and no systems being in place for tracking progress or reporting performance.”

The report highlights that OfReg spent significant amounts of money on consultants and official travel in its first two years of existence and wasted \$355,000 leasing a property that it never moved in to.

“I have identified a number weaknesses in relation to spending and poor value for money through this audit and our financial audits in 2017 and 2018.” Says the Auditor General, “I am pleased to note that spending on consultants and travel has reduced significantly in 2019 and policies and procedures have now been put in place that will help to control spending and demonstrate value for money.”

Ms. Winspear adds “OfReg is still a young organisation and I am pleased to note that it has addressed some and is in the process of addressing many of the issues that it faced in the early days.”

More information about the report can be obtained by contacting Sue Winspear at (345) 244-3201 or Angela Cullen, Deputy Auditor General (Performance Audit) at (345) 244-3220.

This report and the original OAG reports on which this report is based are available at www.auditorgeneral.gov.ky.

Notes to the editor:

1. OfReg was established under the *Utility Regulation and Competition Law 2016*.
2. OfReg was created on 16 January 2017 through a merger of the regulatory functions of four existing bodies – Electricity Regulatory Authority, Information and Communications Technology Authority, Petroleum Inspectorate, and part of the Water Authority of the Cayman Islands.
3. OfReg is responsible for the regulation of the following four sectors: information communications and technology (ICT), energy, fuel and water. These four sectors form part of the Critical National Infrastructure.
4. OfReg is a statutory authority of the Cayman Islands Government, under the sponsorship of the Cabinet Office.
5. As a statutory authority, OfReg is governed by a Board of Directors. The roles and responsibilities of the Chief Executive Officer and Board of Directors are set out in the *Public Authorities Law 2016*.