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PRESS RELEASE

Auditor General disappointed that only a third of recommendations implemented

The report “*Follow-up on past PAC recommendations 2022 – Report 2*” was issued today by the Office of the Auditor General (OAG).

This report is the latest in a series. It provides an update on the Government’s progress with implementing recommendations made by the Public Accounts Committee (PAC) of the Parliament for three reports. The reports cover the Major Capital Projects Follow Up, Customs in the Cayman Islands and School Education.

The report states that of the 54 recommendations made by the PAC and OAG, only 20 (37 per cent) have been implemented. Almost half (26) of the recommendations are assessed as “Amber”, and action has yet to start for half of those.

Sue Winspear, the Auditor General, said, “It is disappointing that, overall, limited progress has been made in implementing the recommendations made in the three reports covered. This is particularly disappointing as some recommendations date back to 2015.” Ms. Winspear adds, “However, it is worth noting that my assessments show different rates of progress made by government entities.”

The report assesses the Government’s progress with implementing the recommendations in the *Major Capital Projects Follow Up* report as Red – limited progress. Only 3 of the 13 (23%) recommendations made have been implemented.

The Auditor General says, “I have assessed the Government’s progress with implementing the recommendations in the Major Capital Projects reports as limited. It is pleasing that the Public Works Department has made some progress in implementing the recommendations.” Ms. Winspear adds, “In 2017, we recommended that the Government should develop a long-term capital investment plan to help ensure that capital investment is affordable and the country’s long-term financial sustainability is maintained. The Ministry of Finance has still not developed a long-term capital investment plan despite a number of major capital projects underway or in the pipeline and the intention to borrow to pay for many of these.” Ms. Winspear continues, “We also recommended that the Government should ensure that it has specialist expertise to properly manage contracts for Public Private Partnerships. In March 2021, the Government signed a waste management contract worth over half of a billion dollars without such expertise, threatening the likelihood of obtaining value for money from that contract”.

The report assesses the Government’s progress with implementing the recommendations in the *Customs in the Cayman Islands* report as Red – limited progress. Six of the 20 (30%) recommendations made have been implemented.

The Auditor General says, “I have concluded, overall, that there has been limited progress in implementing the recommendations in the Customs report. Customs and Border Control has made some progress in implementing the recommendations. However, it is disappointing that the recommendation to strengthen project management of the ongoing IT project has not been implemented, and the latest estimated cost of the project is now \$1.4 million against an original estimate of \$277,000.” Ms. Winspear adds, “It is disappointing the Ministry of Finance has made limited progress for this report. Since 2015, my Office has consistently recommended that the Government develops a formal, comprehensive concessions policy but the Government has still not developed one. As a result, concessions continue to be inconsistently awarded and the underlying conditions, for example, employing Caymanians, are not being monitored so it is unclear if they are being met.”

The report assesses the Government’s progress with implementing the recommendations in the *School Education* report as Amber – some progress. Over half (11 of 21) of the recommendations have been implemented.

The Auditor General says, “I am pleased that the Ministry of Education has made good progress with many of the recommendations in the School Education report, despite the COVID pandemic. The Ministry of Education now records and monitors truancies, which has informed a policy to reduce truancy rates in public schools. It has also developed a policy for identification, assessment and additional support for students with special education needs, which places those students at the centre of the process and ensures that they have timely access to the support that they need.” Ms. Winspear continues, “However, I note that the Ministry has yet to develop an overarching education strategy. A clear, overall strategic direction is key to better educational outcomes for students. I strongly encourage the Ministry to finalise this as soon as possible.”

More information about the report can be obtained by contacting Sue Winspear at (345) 938-3201 or Angela Cullen, Deputy Auditor General (Performance Audit) at (345) 922-3220.

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. The Public Accounts Committee considers reports made by the Auditor General and generally endorse the recommendations made by the Auditor General in her report and make further recommendations of their own based on the witness hearings they hold at the time.
2. The Cayman Islands Government is required to formally respond to the PAC recommendations within three months of the PAC laying an Auditor General report in the House of Parliament.

3. The OAG has assessed Government's progress with implementing recommendations for the following three reports (see Exhibit 2 in the report):
 - *Major Capital Projects Follow Up* (October 2017) – **Limited progress**. See Appendix 1 for detail.
 - *Customs in the Cayman Islands* (May 2019) – **Limited progress**. See Appendix 2 for detail.
 - *School Education* (October 2019) – **Some progress**. See Appendix 3 for detail.
4. The OAG has assessed progress with the 54 recommendations as (see Exhibit 3 in the report): Not accepted – 1 (2%), implemented – 20 (37%), partly implemented or in progress – 29 (48%), and no or limited progress – 7 (13%).
5. As at the end of January 2022, the formal Government responses to the following seven PAC reports continue to be late – see Exhibit 1 in the report. The date in brackets is when the PAC report was tabled in the House of Parliament:
 - Report on the Segregated Insurance Fund 2015/16 Accounts (6 September 2018)
 - Report on the Cayman Islands Monetary Authority 2015/16 Accounts (6 September 2018)
 - Report of the Information and Communications Technology Authority 2015/16 Accounts (22 November 2018)
 - Report of the Office of the Auditor General on *Follow-Up of past PAC recommendations - October 2018* (10 April 2019)
 - Report of the Office of the Auditor General on the *Efficiency and Effectiveness of Summary Courts – November 2019* (1 July 2020)
 - Report of the Office of the Auditor General on *Efficiency and Effectiveness of the Utility Regulation and Competition Office (OfReg) - June 2020* (12 December 2020)
 - Reports on the Office of the Auditor General on: (1) *Owen Roberts International Airport (ORIA) Terminal Redevelopment Project – Progress Updates as at August 2018 (January 2019)*; (2) *Financial Reporting of the Cayman Islands Government: General Report 2019 (December 2020)*; and (3) *Improving Financial Accountability and Transparency: Budgeting (December 2020)* (15 July 2021).