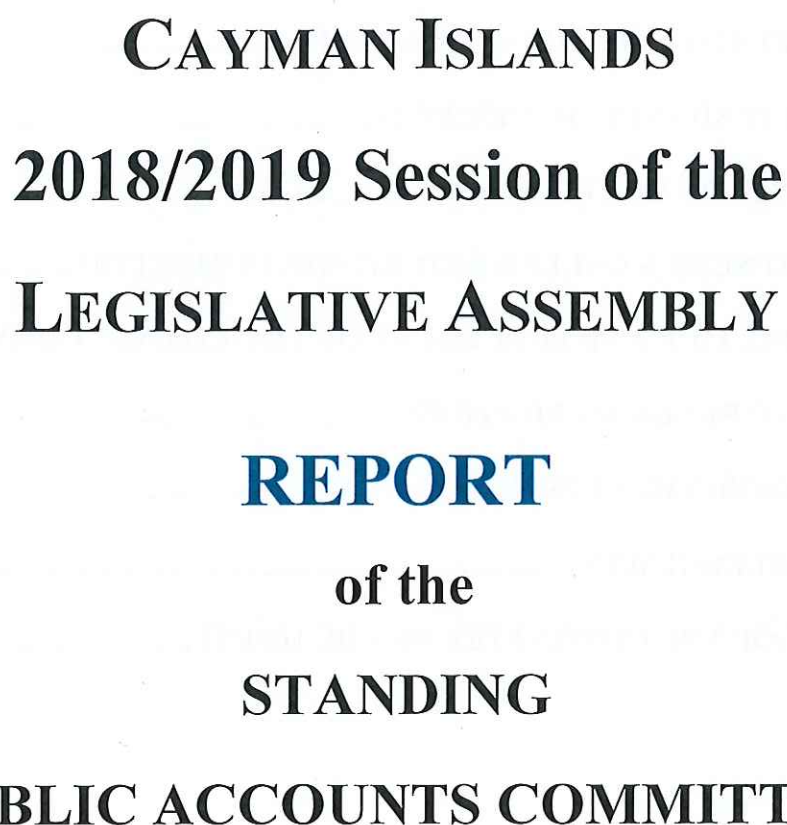




**on the Report of the
Office of the Auditor General on Workforce Planning and
Management in the Cayman Islands Government – April 2018**

Laid on the Table of Legislative Assembly on this *day of* *2019*

TABLE OF CONTENTS

1.	REFERENCE.....	3
2.	DOCUMENT CONSIDERED	3
3.	CHAIRMAN AND MEMBERS OF THE COMMITTEE	3
4.	MEETINGS OF THE COMMITTEE	3
5.	ATTENDANCE OF MEMBERS	4
6.	PERSONS IN ATTENDANCE.....	4
7.	WITNESSES CALLED BEFORE THE COMMITTEE	4
8.	PRACTICE AND PROCEDURE OF THE COMMITTEE (S.O 77 (6))	4
9.	PAC RECOMMENDATIONS	5
10.	GOVERNMENT MINUTE.....	5
	ACKNOWLEDGEMENT.....	5
	REPORT OF THE COMMITTEE TO THE HOUSE.....	6

**REPORT OF THE STANDING PUBLIC ACCOUNTS COMMITTEE
ON THE REPORT OF THE OFFICE OF THE AUDITOR GENERAL
ON WORKFORCE PLANNING AND MANAGEMENT IN THE
CAYMAN ISLANDS GOVERNMENT – APRIL 2018**

1. REFERENCE

The Standing Public Accounts Committee of the Cayman Islands Legislative Assembly, established under Standing Order 77(1), met to consider the following Report prepared and submitted by the Auditor General:

Workforce Planning and Management in the Cayman Islands Government – April 2018

2. DOCUMENT CONSIDERED

In accordance with the provision of Standing Order 77(3), the Committee considered the following Auditor General Report which was referred in the House of the Legislative Assembly:

- Report of the Office of the Auditor General on *Workforce Planning and Management in the Cayman Islands Government – April 2018*

3. CHAIRMAN AND MEMBERS OF THE COMMITTEE

The following Members of the Legislative Assembly are the present Members of the Standing Public Accounts Committee: –

Hon. D Ezzard Miller, MLA – Chairman

Mr. Christopher S. Saunders, MLA – Member

Mr. Austin O. Harris, Jr, MLA – Member

Hon. Bernie A. Bush, MLA – Member

Ms. Barbara E. Conolly, MLA – Member

4. MEETINGS OF THE COMMITTEE

The Committee held three (3) meetings to consider the Report:

- (i) Thursday, 24th May 2018 (*Administrative Meeting*)
- (ii) Tuesday, 11th September 2018 (*Administrative Meeting*)
- (iii) Wednesday, 24th October 2018 (*Hearing*)

5. ATTENDANCE OF MEMBERS

The attendance of Members at the meetings is recorded in the Minutes of Proceedings which are attached to and form part of this Report.

6. PERSONS IN ATTENDANCE

In accordance with Standing Order 77(8), the following persons were in attendance at the meeting held with witnesses on **Wednesday, 24th October 2019**:

- Mrs. Sue Winspear - Auditor General, Office of the Auditor General
- Ms. Angela Cullen - Director of Performance Audit, Office of the Auditor General
- Ms. Sasha Rochester, Audit Project Leader, Office of the Auditor General
- Mr. Julius Aurelio - Audit Manager, Office of the Auditor General
- Mr. Kenneth Jefferson, Financial Secretary & Chief Officer, Ministry of Finance and Economic Development
- Mr. Matthew Tibbetts - Accountant General, Ministry of Finance and Economic Development

7. WITNESSES CALLED BEFORE THE COMMITTEE

In accordance with the provisions of Standing Order 77(4), the Committee invited public officers to give information and explanation to assist the Committee in the performance of its duties.

The following persons appeared before the Committee to give evidence on **Wednesday, 24th October 2019**:

- Hon. Gloria McField Nixon - Acting Deputy Governor, Office of the Deputy Governor
- Mrs. Andrea Fa'amoe - Acting Chief Officer, Portfolio of the Civil Service

8. PRACTICE AND PROCEDURE OF THE COMMITTEE (S.O 77(6))

The Committee agreed that in accordance with the provisions of Standing Order 77(6), all meetings at which witnesses were invited to provide information should be held in an open forum. This decision was taken to promote openness and accountability in Government.

9. PAC RECCOMENDATIONS

Strategic workforce is a major issue for organisations worldwide. No matter whether they are a public or private sector organisation, small or large, it is essential that they consider what skills they need to operate and how to manage the talent they have. Demographic, societal and technological changes are affecting both the way services are delivered and availability of the workforce.

- 9.01 The PAC endorses the recommendations of the Office of the Auditor General.
- 9.02 The civil service should identify areas that could be done in-house rather than by consultants with a view to training and development of staff as well as the potential savings.
- 9.03 Legislation should be reviewed to determine the statutory requirements and the implications for workforce planning and development.
- 9.04 The potential workforce and budgetary implication of new laws should be considered and determined prior to legislation being approved and brought into force.

10. GOVERNMENT MINUTE

The Public Accounts Committee wishes to draw Government's attention to Standing Order 77 sub-order 7 which reads:

"The Government Minute shall be laid on the Table of the House within three months of the laying of the report of the Committee and of the report of the Auditor General to which it relates."

The PAC expects the Government to honour the requirements of this Standing Order.

ACKNOWLEDGEMENT

The Committee is most appreciative of the efforts of the Auditor General and her staff in presenting very fair, comprehensive and informative Report and for the support, assistance and constructive advice given throughout its deliberations.

The Committee also thanks the staff of the Legislative Assembly for the assistance provided.

REPORT OF THE COMMITTEE TO THE HOUSE

The Committee agrees that this Report be the Report of the Standing Public Accounts Committee to the House on the following Report of the Office of the Auditor General:
Workforce Planning and Management in the Cayman Islands Government – April 2018

Hon. D. Ezzard Miller, MLA – Chairman

Hon. Bernie A. Bush, MLA – Member

Mr. Christopher S. Saunders, MLA – Member

Ms. Barbara E. Conolly, MLA – Member

Mr. Austin O. Harris, Jr, MLA – Member



Legislative Assembly of the Cayman Islands

THE STANDING PUBLIC ACCOUNTS COMMITTEE

MINUTES

Meeting held

Thursday, 24th May 2018 at 10:00 am

Minutes of proceedings of the Standing Public Accounts Committee held in the Large Committee room of the Legislative Assembly Building, Grand Cayman on Thursday, 24th May 2018 at 10:00 am.

Present: Hon. D. Ezzard Miller, MLA - Chairman
Ms. Barbara E. Conolly, MLA - Member
Mr. Christopher S. Saunders, MLA – Member
Mr. Austin O. Harris, Jr, MLA - Member

Ms. Manesa Webb - Committee Clerk

Apology: Hon. Bernie A. Bush, MLA - Member

Attendees: Ms. Sue Winspear - Auditor General, Office of the Auditor General
Ms. Angela Cullen - Director of Performance Audit, Office of the Auditor General
Mrs. Zena Merren – Chin - Clerk of the Legislative Assembly

1. Meeting to Order

There being a quorum present, according to Standing Order 77(2), the Chairman called the Meeting to order at 10:20 am.

The Chairman gave a brief welcome to the Members and thanked them for attending the Public Accounts Committee ("PAC") meeting. He also welcomed the Auditor General and her team and thanked them for attending the meeting.

2. Apology:

Hon. Bernie A. Bush gave apologies that due to official appointments he was unable to attend the meeting.

3. Approval of Minutes:

▪ **Tuesday, April 10th 2018 (*Meeting without Witnesses*)**

The above minutes were **approved** through a motion moved by Mr. Christopher Saunders and seconded by Ms. Barbara Conolly.

▪ **Wednesday, May 2nd 2018 (*Meeting with Witnesses*)**

The above minutes were **approved** through a motion moved by Mr. Christopher Saunders and seconded by Ms. Barbara Conolly.

▪ **Thursday, May 3rd 2018 (*Meeting with Witnesses*)**

The above minutes were **approved** through a motion moved by Mr. Christopher Saunders and seconded by Ms. Barbara Conolly.

▪ **Wednesday, May 9th 2018 (*Meeting with Witnesses*)**

The above minutes were **approved** through a motion moved by Mr. Christopher Saunders and seconded by Mr. Austin Harris.

▪ **Thursday, May 10th 2018 (*Meeting with Witnesses*)**

The above minutes were **approved** through a motion moved by Ms. Barbara E. Conolly and seconded by Mr. Austin Harris.

4. Matters arising from Minutes:

There were no matters arising from the previous minutes.

5. Approval of Invoice(s) for the Office of the Auditor General:

Invoice No. 207090 dated 7 May 2018 for the amount of \$47,849.69 was **approved** through a motion moved by Mr. Austin O Harris and seconded by Mr. Christopher S Saunders.

6. Review of the Office of the Auditor General's Report(s):

- Workforce Planning and Management in the Cayman Islands Government – April 2018

The Auditor General, Mrs. Sue Winspear, presented the Public Accounts Committee with the Workforce Planning and Management in the Cayman Islands Government – April 2018. The Committee was asked to give comments and concerns.

The OAG staff touched on Exhibit 2 – Core government workforce (2008 – 2016) on page 8. Exhibit 2 is proof that the size of the Government's workforce has remained reasonably constant since 2010.

The OAG staff continued on to Exhibit 4 - Demographic Information on the four departments reviewed (2016 data) on page 11. Exhibit 4 presents the following department's demographic information below:

- Department of Education Services (DES)
- Royal Cayman Islands Police Service (RCIPS)
- Department of Children and Family Services (DCFS)
- Needs Assessment Unit (NAU)

The OAG staff also touched on Exhibit 5 – The Workforce Planning Cycle on page 12. Exhibit 5 presents the following workforce planning activity, which shows what a workforce plan should include:

- Contextual information on key services and priorities for the next few years, linked to the strategic or corporate objectives.
- A summary of planned service provision, outlining any assumptions made; the potential effect on the organization's service and delivery, workforce and finances; and the anticipated demand for services.
- An analysis of the current position (workforce numbers, costs and skills), including any business critical posts and identifying workforce difficulties, including any recruitment challenges, and financial pressures that the plan should address.
- Forecasting of the workforce numbers and skills needs including, specialist skills or business critical posts; the expected shape of the workforce and costs over the period of the plan, and gap analysis.

Mr. Austin Harris touched on the demographics of the current social worker, and stated that he is hoping that the younger generation may graduate in the area of study which is needed for progress and growth.

Mr. Christopher Saunders discussed that the problem with the University College of the Cayman Islands (UCCI) is that the resources are there but due to not seeing a certain amount of profit from certain programs the programs are not moved forward.

Mr. Christopher Saunders touched on Exhibit 6 – Key roles and responsibilities for Workforce Planning and Management on page 19. Mr. Saunders discussed that the New Zealand Model was the biggest mistake the Government has followed, and to this day have not been improved.

Mr. Austin Harris discussed that professional qualifications are not being used the correct way, and is currently creating issues. In addition, proper Human Resources software programs should be in place for growth.

Ms. Barbara Conolly discussed that the Human Resources software should be equal for every workforce planning and management within the Cayman Islands Government. All departments should be on the same page as working together is the only way progress can be made.

The above report was reviewed by the Committee and it was **agreed** to lay the report June 27th, 2018.

8. Office of the Auditor General's Update—Quarterly Report to 31st March 2018:

The Auditor General, Mrs. Sue Winspear presented to the Public Accounts Committee the OAG Quarterly Report to 31st March 2018. During the presentation, the Auditor General touched on page 15 to 16 which explains the five entities that are currently outstanding. The Auditor General continued that the backlog should be up-to-date by late summer 2018.

The Auditor General updated the Committee on the progress of the Professional Audit Trainees. Mrs. Winspear stated that the Professional Audit Trainees are doing well, and is also a great addition to the OAG.

9. Any Other Business

The Clerk of the Legislative Assembly, Mrs Zena Merren - Chin was called into the meeting by the Chairman and Members to discuss training opportunities in the fall 2018.

The Public Accounts Committee Members **agreed** for the Committee Clerk to be sent on training during the fall in London, United Kingdom.

The Chairman announced that the Hon. Bernie Bush and Mr. Austin Harris will participate in the 6th Annual Public Accounts Committees Symposium & Professional Certificate program, which will take place on October 15th - 18th 2018 in London, United Kingdom.

10. Scheduling of Next Meeting

The next meeting was confirmed for Wednesday, 13th June 2018 at 10:00 am (*Meeting*)

11. Adjournment

There being no further business, the Chairman adjourned the meeting at 11:45 am.



Legislative Assembly of the Cayman Islands

PUBLIC ACCOUNTS COMMITTEE

MINUTES

Meeting held

Tuesday, 11th September 2018 at 10:00 am

Present: Hon. D. Ezzard Miller, MLA - Chairman
Hon. Bernie A. Bush, MLA - Member
Ms. Barbara E. Conolly, MLA - Member
Mr. Christopher S. Saunders, MLA - Member
Mr. Austin O. Harris, Jr, MLA - Member

Attendees: Ms. Manesa Webb - Committee Clerk

Mrs. Sue Winspear - Auditor General
Ms. Angela Cullen - Director of Performance Audit, Office of the Auditor General

1. Meeting to Order

There being a quorum present (Standing Order 77(2) refers), the Chairman called the Meeting to order at 10:09 am.

The Chairman gave a brief welcome to Members and thanked them for attending the Public Accounts Committee ("PAC") Meeting. He also welcomed the Auditor General and thanked her and her team for attending.

2. Apologies

None.

3. Approval of Minutes

- Thursday, 30th August 2018 (*Meeting*)

The above minutes were approved through a motion moved by Mr. Christopher S Saunders and seconded by Ms. Barbara E Conolly.

4. Matters arising from Minutes

None.

5. **Approval of Auditor General Invoice(s)**

- *No. 207144 dated 10 September June 2018 for the amount of \$63,900.01*

The invoice was **approved** on a motion moved by Mr. Christopher Saunders and seconded by Ms. Barbara Conolly.

6. **Approval of the Outstanding PAC Report(s)**

The following draft reports were **approved** by the Committee.

- *Report Of The Standing Public Accounts Committee On The Report Of The Office Of The Auditor General On Government's Use Of Consultants And Temporary Staff - February 2018*
- *Report Of The Standing Public Accounts Committee On The Report Of The ICTA 2015/2016 Accounts*

7. **Consideration of the OAG Report(s):**

- *Workforce Planning and Management in the Cayman Islands Government – April 2018*

Ms. Angela Cullen, Director of Performance Audit presented the report to the Committee. During the discussion she touched on the Learning and Development opportunities, the Development on Human Resources, Recommendations, Manage Responses, Responsibilities and Dates of Planned Implementations.

It was **agreed** to invite the Deputy Governor and the Chief Officer, Portfolio of the Civil Service, to give evidence on this report.

- *Owen Roberts International Airport (ORLA) Terminal Redevelopment Project – Progress Report*

It was noted that at the meeting on 30th August 2018, the Auditor General had provided each Member of the Committee with a copy of her *Owen Roberts International Airport (ORLA) Terminal Redevelopment Project – Progress Report* (“the ORIA Progress Report”). Each Member of the Committee had given a written undertaking to treat the ORIA Progress Report in utmost confidence. The Auditor General had informed the Committee that she intended to provide a copy of the report to the Speaker at the conclusion of the meeting.

There was a discussion of the findings in the ORIA Progress Report. It was **agreed** that the report had identified serious concerns.

It was noted that under Standing Order 77(3) a report by the Auditor General which has been received by the Speaker “shall forthwith be distributed to all Members and shall become a public document”. In the present case the ORIA Progress Report had not yet been distributed to all Members and had not yet been placed in the public domain.

The Auditor General confirmed that she had provided copies of the report only to:

- Hon. W McKeeva Bush, MLA - Speaker of the Legislative Assembly
- Hon. D Ezzard Miller, MLA - Public Accounts Committee Chairman
- Hon. Bernie A Bush, MLA – Public Accounts Committee Member
- Ms. Barbara E Conolly, MLA - Public Accounts Committee Member
- Mr. Christopher S Saunders, MLA – Public Accounts Committee Member

Public Accounts Committee Meeting Tuesday, 11th September 2018 at 10:00 am

- Mr. Austin O Harris, Jr, MLA - Public Accounts Committee Member
- Mr. Stran Bodden, Chief Officer -Ministry of District Administration, Tourism & Transport
- Mr. Albert Anderson, Chief Executive Officer - Cayman Islands Airports Authority

The Committee **agreed** that all Members of the Legislative Assembly (MLA) should receive a copy of the ORIA Progress Report; and that each MLA should sign a non-disclosure letter in the same way that the Members of the PAC had done. The motion was moved by Mr. Christopher Saunders and seconded by Hon. Bernie Bush.

The Committee **agreed**, further, that a change in the Standing Orders was necessary to allow situations such as that of the ORIA Progress Report to be adequately and appropriately dealt with going forward. The Chairman undertook to write to the Premier and ask him to convene the Standing Orders Committee in order to consider this matter.

8. Auditor General's Update

The Auditor General updated the Committee on the progress of the Annual Report, which would be completed by the end of the year.

Hon. Bernie Bush asked when the Committee should expect to receive an update on the Cayman Islands Fire Service, and the financial statements of the Ministry of Financial Services & Home Affairs.

The Chairman expressed the view that reports should be debated as a way of connecting the work of the Committee with the wider Legislative Assembly and the public, and thereby getting things done.

9. Any Other Business

- *Review of the Cayman Islands Government Minute – The Government's Response to the Reports of the Standing Public Accounts Committee on the Reports of the Auditor General -June 2018*

The Committee **agreed** to defer the Government Minutes for the next administrative meeting.

10. Scheduling of Next Meeting

The next meeting was confirmed for:

- Wednesday, 24th October 2018 at 10:00 am (*Hearing*)
- Thursday, 25th October 2018 at 10:00 am (*Hearing*)
- Thursday, 25th October 2018 at 1:00 pm (*Administrative Meeting*)

11. Adjournment

There being no further business, the Chairman adjourned the meeting at 11:40 am.



Legislative Assembly of the Cayman Islands

THE STANDING PUBLIC ACCOUNTS COMMITTEE

MINUTES of Meeting with Witnesses

Wednesday, 24th October 2018 at 10:15 am

WORKFORCE PLANNING AND MANAGEMENT IN THE CAYMAN ISLANDS GOVERNMENT

Minutes and verbatim transcript of the Meeting of the Standing Public Accounts Committee held in the Chamber of the Legislative Assembly Building, Grand Cayman on Wednesday, 24th October 2018 at 10:15 am.

Present:

Hon. D. Ezzard Miller, MLA - Chairman
Mr. Christopher S. Saunders, MLA - Member
Hon. Bernie A. Bush, MLA - Member
Ms. Barbara E. Conolly, MLA – Member
Mr. Austin O. Harris, Jr., MLA - Member

Ms. Manesa Webb, Committee Clerk

Attendees:

Mrs. Sue Winspear - Auditor General, Office of the Auditor General
Ms. Angela Cullen - Director of Performance Audit, Office of the Auditor General
Mr. Julius Aurelio - Audit Manager, Office of the Auditor General
Mr. Kenneth Jefferson, Financial Secretary & Chief Officer, Ministry of Finance and Economic Development
Mr. Matthew Tibbetts - Accountant General, Ministry of Finance and Economic Development (MFED)

Witnesses:

Hon. Gloria McField Nixon – Acting Deputy Governor, Office of the Deputy Governor
Mrs. Andrea Fa'amoe – Acting Chief Officer, Portfolio of the Civil Service

1. Meeting to Order

There being a quorum present (Standing Orders 77(2) refers), the Chairman called the Public Accounts Committee Meeting to order at 10:15 am.

2. Welcome

The Chairman gave a brief welcome to Members of the Committee and thanked them for attending the Public Accounts Committee (“PAC”) Hearing. He also welcomed and thanked the Auditor General, Mrs. Sue Winspear, along with Mr. Kenneth Jefferson and Mr. Matthew Tibbetts from the Ministry of Finance and Economic Development.

The Committee was advised that they would be dealing with the Auditor General’s Report entitled, *Workforce Planning and Management in the Cayman Islands Government*.

3. Review of the Workforce Planning and Management in the Cayman Islands Government

- Workforce Planning and Management in the Cayman Islands Government

The Chairman invited the first witness to the Chamber. Administration of oath was administered and thereafter, the witness was welcomed and thanked by the Chairman for attending the meeting, and told to state their name and title for the record.

The floor was then opened by the Chairman for Members of the PAC to question the witnesses.

The following person appeared in their named capacity as a witness before the Committee for this report:

- Mrs. Gloria McField Nixon – Acting Deputy Governor, Office of the Deputy Governor

Discussion ensued with questions being asked to the witness by PAC members. Before departing the Chamber, the Honourable Acting Deputy Governor was again thanked by the Chairman.

[PAC Proceedings suspended at 1:30 for lunch]

[PAC proceedings resumed at 2:32 pm]

The PAC Meeting continued with the next witness who was administered the oath, and again, welcomed and thanked by the Chairman for attending, with a reminder to state their name and title for the record.

The following person appeared in their named capacity as a witness before the Committee for this report:

- Mrs. Andrea Fa'amoe –Acting Chief Officer, Portfolio of the Civil Service

Discussion ensued with questions being asked to the witness by PAC members. Before departing the Chamber, the Acting Chief Officer was again thanked by the Chairman.

4. Any Other Business:

There was no other business on the agenda.

5. Scheduling of Next Meeting

The next meeting with witnesses was confirmed for:

- Thursday, 25th October, 2018, at 10:00 am.

6. Adjournment

There being no further business, the meeting was adjourned at 3:15 pm.

**OFFICIAL VERBATIM REPORT
STANDING PUBLIC ACCOUNTS COMMITTEE
WEDNESDAY
24 OCTOBER 2018
10:25 AM
*Meeting with witnesses***

**“WORKFORCE PLANNING AND MANAGEMENT IN
THE CAYMAN ISLANDS GOVERNMENT”**

Verbatim transcript of the Standing Public Accounts Committee meeting held 24 October 2018, at 10:25 am, in the Chamber of the Legislative Assembly Building, George Town, Grand Cayman.

PAC Members

Present: Hon. D. Ezzard Miller, MLA, Chairman
Hon. Bernie A. Bush, MLA, Member
Mr. Austin O. Harris, Jr., MLA, Member
Mr. Christopher S. Saunders, MLA, Member
Ms. Barbara E. Connolly, MLA, Member

In attendance: Mr. Kenneth Jefferson, Financial Secretary/Chief Officer, Ministry of Finance and Economic Development
Mr. Matthew Tibbetts, Accountant General, Ministry of Finance and Economic Development

Audit Office:

Mrs. Sue Winspear, Auditor General, Office of the Auditor General
Ms. Angela Cullen, Director of Performance Audit, Office of the Auditor General
Mr. Julius Aurelio, Audit Manager, Office of the Auditor General

Witnesses: Hon. Gloria McField-Nixon, Acting Deputy Governor, Portfolio of the Civil Service
Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service

[Hon. D. Ezzard Miller, Chairman presiding]

The Chairman: Good morning everyone. Let the record show that we have a quorum and I call the meeting to order at 10:15 *[sic]*.

Just a little bit of housekeeping I guess, in defence of the Public Accounts Committee, I have to make a short comment on the editorial in today's *[Cayman] Compass*.

The *Compass* believes that it was not a good, efficient, effective value for money to send two members of the Public Accounts Committee to the United Kingdom for training; I happen to take issue with that. I think it is very important that, particularly new members of the PAC, get whatever training is available, in order to facilitate us functioning to our most efficient and effective level as a Committee. So, I am a little bit disappointed that the editor took the stance that they have in the *Compass* today. I guess I will just leave it at that.

Mr. Austin O. Harris, Jr.: Mr. Chairman, certainly, through you. On behalf of my colleague, I want to thank you and the Public Accounts Committee for affording us that four day learning opportunity. Whilst I am sure the Member for West Bay North would otherwise attest, it was indeed an enlightening opportunity, very informative and we hope to apply those skills that were learnt, to the work of this Public Accounts Committee. Again, we thank you and the entire Committee for affording us that training opportunity.

The Chairman: We are dealing this morning with the Auditor General's report on the Workforce Planning and Management in the Cayman Islands Government dated April 2018.

Our first witness is the Honourable Gloria McField-Nixon, Acting Deputy Governor. I will ask the Serjeant-at-Arms to please bring her in at this point.

[Short pause]

PORTFOLIO OF THE CIVIL SERVICE

ADMINISTRATION OF OATH OR AFFIRMATION

Hon. Gloria McField-Nixon, Acting Deputy Governor: I swear by Almighty God that the evidence I shall give to this honourable Legislative Assembly shall be the truth, the whole truth and nothing but the truth.

The Chairman: Thank you and good morning, Mrs. Gloria McField. The Committee wishes to thank you for taking the time to come here. We know you are here today as the Acting Deputy Governor and I am sure preparations for the arrival of the new Governor would otherwise occupy your time so, we appreciate getting some of your time.

As you would have been made aware, we are today, doing hearings in the workforce planning and management of the Cayman Islands Government. You also would be aware that we have the Acting Chief Officer, who would be in your normal position, so, this morning, if we tend to cross the roles in questioning, forgive us, but we are just trying to get to the truth.

The floor is now open for questions.
Mr. Austin?

Mr. Austin O. Harris, Jr.: Thank you, Mr. Chairman, and a very good morning to the Honourable Acting Deputy Governor for being with us this morning. Thank you for taking time away from your otherwise busy schedule to join us to help provide some clarity and, if you will, elucidation to the matters at hand.

Mr. Chairman, through you, I have two questions for the [Acting] Deputy Governor related first to IT resource and information that supports workforce planning as outlined by the Auditor General's Report; and the second is relevant to the human element of the workforce planning for civil servants.

I know that my first question has to do with technology and the proper and efficient use of it, but I would like to note, Mr. Chairman, that we have not invited anyone from Computer Services or otherwise, who perhaps may have more technical expertise. I do not know whether that was an oversight or otherwise but, I have every confidence in the [Acting] Deputy Governor being capable in responding. Certainly, I offer up the caveat that, if the questions are, in fact, technical in nature, perhaps the [Acting] Deputy Governor may not be the appropriate person, but I will strive on nonetheless.

I trust, [Acting] Deputy Governor, that you have the copy of the Auditor General's report in question: "Workforce Planning and Management in the Cayman Islands Government". If you would, kindly turn to page 34 of the report, looking at, specifically, sections 86, 87 and 88. The report states: "**Reliable**

and timely data are an essential component of workforce planning and management. To effectively inform decision making, HR data need to be accessible in real-time, analysed to show historical trends, and modelled provide forecasts and projections." The Auditor General continues to remark, however, that- "**The Government's HR systems, (of which five different systems are in use), are [not] integrated or user-friendly, which has led to inefficiencies . . .**

All of these systems require staff to input data and lack any predictive decision making capabilities" making it very difficult to extract any useful information.

My question, therefore Mr. Chairman, through you, relates to what specific IT-based systems are in place, and, if I could, offer up some context. I have often wondered during the last year and a half, and both of my previous lives, why the Government and, in particular, the Computer Services Department (CSD), insists on proprietary software; meaning, they have to write the specific code needed to achieve either very specific or even, sometimes, general IT tasks, when a more economic and efficient software package may be purchased off the shelf. I will give an example of QuickBooks, just as an example, versus a proprietary-based accounting system used solely for the purposes of government.

Here, in the 21st Century we accept that computers and technology allow for faster processing of data, easier retrieval of information and promotes efficiencies through automation. So, my question to you, [Acting] Deputy Governor is: Can you tell us, therefore what work has been done to improve the IT systems that support the various HR systems which are intended to make both strategic planning and decision making easier, as part of your overall workforce planning and HR exercises?

Hon. Gloria McField-Nixon, Acting Deputy Governor: Through you, Mr. Chairman, and I thank the member for his question.

I believe, as the day unfolds, we will return to this point often to talk about the data that is available across the civil service to allow us to do the type of forecasting that workforce planning very much relies upon.

The Member asked: What are the systems that are available to us and why do we seem to have so much reliance upon proprietary systems that were specifically written in-house for use in HR Management? The report that the Member refers to, the OAG report and, specifically, paragraph 87 says, and I quote: "**The Government uses five different HR systems to collect and manage a range of workforce information. These include HR IRIS, an extension of the financial management system IRIS; electronic content management (ECM); Electronic**

Performance Management (EPM); Time Recording System (TRS); and Leave Tracker system."

If I could put that information into context; the only integrated module available to HR professionals and to managers, who would seek to obtain information about their employee base, is what we refer to as HR IRIS. This is, essentially, a payroll module that is attached to our finance module. It was driven by the needs coming out of our Ministry of Finance, and it is the only integrated module that we in HR also rely upon, because it gives us the demographic information about our employees as to their contract dates, their ages, departments they work for, and salary information. It is a payroll module.

The other systems that have arisen arose out of necessity and, I can say that, many of these systems were developed at a time when government was in significant financial constraints.

To the credit of the managers who have been at the forefront of adopting these systems, in many instances, these were localised response where our managers did not just rely upon the response that there was not adequate funding to buy other integrated systems. They were innovative in their approaches and developed solutions that were intended for use in a department. For example, our Leave Tracking System was one that was developed specifically by our Computer Services Department for use in Computer Services.

What we refer to as our Electronic Performance Management (EPM) system was the response of the Portfolio of the Civil Service to the concerns that it would take us physically about three years to get around to every department to do audits on their performance management. We needed to have central sight of what was happening. EPM is really just an excel-based program that we have developed in order to allow persons to do electronic performance management in order to allow us to have central sight of it so, no excuses were made that we did not have the funding in place. Where there was not a way, departments made a way and where we saw that there were some successes in a localised area, typically a department, that was then rolled out across the Service to at least give some interim relief to individuals. So, I do not want to condemn the people who, even in this environment where there were no integrated systems, found a way to deliver the work.

The challenge with these systems is that as you have said, they are not integrated; they are disjointed. It takes a high degree of individual involvement, input, extracting data, putting it into a common platform (typically again in an excel format) so that the information can then be manipulated for interpretation. By the time all of that is done, the value is predominantly historical, as opposed to being a reliable forecasting tool. But that provides some of the context as to how we got here.

Our Electronic Content Management System is a common framework. It allows us to store documents and share HR information specifically. It is used for other purposes, as well, but it is the way that we now share information. So, contracts that need to go to various parties, whether it is our Pensions Office or to HR IRIS (the persons that deal with our payroll function), we are no longer physically sending those documents around. We have the ability to file them and send the links where those documents are stored. That was an improvement in our workflow management which allowed us to get away from being buried by the amount of paperwork created every time a personnel-related document had to be copied five or more times, in order to go to the parties that needed it to perform some function.

Still, those tools, again, rely upon your doing some sort of extraction. It does not allow, for example, to run a report to say how many people have degrees in X or Y, although that information would actually be stored as part of the records that they provided at the time of hire and upon completing training subsequent. So, the information is there, but because it lies in these bespoke programmes that are not integrated, the ability to be able to develop the full story and to do cross-planning does require a high level of an individual's time and the ability for them to be able to pull that into a broader picture.

We attempt to do that on behalf of the entire civil service each year, when we produce our HR trends report. So, every year we provide a synopsis of the key trends that are happening across the civil service and in order to do that, we look at these various systems and try to correlate that information. Individual ministries, portfolios and departments also have access to these records, albeit for their entities, but most rely upon a central service, to look at inputting the data, in the first instance, as it relates to payroll changes that are happening.

We do the vast majority of those on behalf of departments, although there is training available for departments to do that, and, certainly, when it comes to extrapolating this in the form of a trends report, it tends to be reliant upon the Portfolio of the Civil Service. But ours is going to be across the entity or across the organisation, as opposed to specifically going into a great deal of detail by department; although there is some departmental information that is provided, in terms of the Caymanian versus non-Caymanian, the aging, demographics of the departments and leavers and joiners and that sort of thing. And because there is a lack of integration, there tends not to be a great deal of use of the data that is available at entity level.

We are seeking to remedy this and I would say that it is a most pronounced challenge where the activities are predominantly localised. Because we get certain information about when persons, for example,

receive new contracts, that information in the main comes to the Portfolio of the Civil Service, so that is information that we are regularly tracking, but there is other information, for example, how long it takes to fill a post, that happens completely out of our sight, completely at a department level. That is the type of information we are not capturing anywhere; although that information is available at a department level, it tends not to be captured and reported upon at an entity level and then rolling up to a corporate level.

We know that we need to provide better systems that can be relied upon and that are easier for persons in the departments to use. One of the key recommendations that came out of the Auditor General's report and, indeed, that is already within the five year strategic plan, is to improve the information systems available not just to HR, but including to HR for managers. We have begun collating the information that, we believe, we will need to pull from such a system. What is the type of insights that we want the system to have? We have begun meetings to look at what are the parameters, for us, in terms of the systems.

You've mentioned moving away from the legacy bespoke systems that are being developed in-house, but that still leaves a very broad array of options for us, which includes the way that our finance module is delivered, for example, which is a sort of on-premises. Right up until to today, much of the software that businesses use would be cloud-based. So, looking at what is the full parameter of the options available to us, what are the implications for ongoing support.

Since we are dealing in HR, with a large volume of what we refer to as 'sensitive records', and being mindful of the upcoming Data Protection requirements that will also come about, what are the implications of the different technology that is available to us and how would we have to access any of those. We have been having those types of meetings to look at the broad context of what is in play for the options that are available when we look to bring any full suite of integrated HR-IT systems.

We are also presently pulling together, again, the types of insights that we would envision needing from the system. And looking at going to the market, we are presently preparing an RFI [Request for information], not an RFP [Request for Proposal] as yet, to better test what is available to us within the market, as we are also building out our business processes because the IT system is only going to be as good as it fulfils what is needed, what the business needs are, of the organisation and because of the level of decentralisation that happens at a number of core HR functions. I have just mentioned recruitment as a prime example of something that happens completely decentrally. We need to speak to those business part-

ners to make sure that we have taken account of their business needs as well.

Mr. Austin O. Harris, Jr.: Thank you, Acting Deputy Governor.

Mr. Chairman, through you, just a few follow up questions, if I may:

First of all, on the issue of integrated systems from a standpoint of both hardware and software: if we look at the hardware aspect in the first instance, I have discovered that certainly within core government the hardware systems are very PC-based. However, when we look at the statutory authorities, in large majority, they are operating a MAC-based operating system. Where the efficiencies are identified, comes down in the first instance in terms of space and the amount of equipment; for example, under the PC-based system that core government operates in large majority, we have very large and expansive server rooms, which need to be cooled and take up a great deal of space for maintenance and otherwise. Whereas, in statutory authorities, some of which are MAC-based, they have replaced entire server rooms with a single server box sitting on a server shelf that fits in a room the size of your average closet. So, not only have we saved on space (better use of resources) but undoubtedly we are saving on maintenance resources and other IT related issues.

Perhaps we can talk a little bit about the PC approach versus the MAC approach. Maybe that is a computer services question (a technical question) so I will understand. But if we move to the software aspect, I think most peculiar were your remarks regarding of the five HR systems that are in use, only HR IRIS, which is an extension of the financial management system, is integrated. You go on to point out, however, that there are common frameworks, such as the electronic content management, that would be accepted or widely used across all ministries and departments.

I would put to you, Madam Acting Deputy Governor, that other common framework software systems outlined by the Auditor General such as: Electronic Performance Management, Time Recording Systems and Leave Tracker Systems are otherwise common administrative practices that span every ministry. Where we have it now, the Auditor General pointed out that, whilst it is not a problem within core government, the problem is the duplication aspect. We have each ministry having their own set of time tracking, content management, recording systems, when perhaps a more economical and efficient use of systems would be in . . . an omnibus, I think, perhaps, is the choice of words; a centralised hub providing these HR functions, which would provide such efficiency and also create that sort of integrated nature where ministry-A can, in fact, integrate time tracking performance management and recording with ministry

B, without having to reinvent the wheel each and every time, and that, of course, creates less costs.

Hon. Gloria McField-Nixon, Acting Deputy Governor: I do not want to go into interpreting what the Auditor General meant in her report; she is present and can speak to that but, I can tell you from my response, each of these systems has been rolled out across the civil service. No one has gone out to get a separate ECM system. People are not out looking for their own Leave Tracking system.

What I am saying though, is that because they were developed for use in one department and then rolled out across the entire Service, the leave tracking does not tie in, for example, with the information on what is happening with scheduling. The Leave Tracking does not tie in easily with reports that can be drawn centrally for sick leave so, you may have persons putting in for their time and attendance in TRS (one set of data) but because they have to separately submit that same data into their Leave Tracking report, and because each of these report on an entity level, you then have to go into those separate accounts if you are trying to get a cross CIG reports, extract that information into a common platform, as I said, typically excel, and then try to extrapolate the information.

Every time someone has to duplicate entry, you significantly increase the risk that the data can be compromised because of human error. So, something that is as simple as putting in the information that I was sick on a Wednesday or Thursday between the two systems, could mean that you have actually put in for the last day of one month and the first day of another month and it throws out the reconciliation processes entirely.

While they may have been acceptable risks when units are small, when you extrapolate that over 3,000 people, the incidents of error significantly increase. That is also a situation when you are looking at systems that were developed, for example, in Computer Services, where everybody is IT savvy and you take that type of system and put it into environmental health, or you put it into the fire [department] where persons are not regularly on computers, and what you get is, although they have access to the system, it is built up from the bottom where people are doing this on time sheets, and someone else is entering the information for them, and the data integrity is further compromised. And, as all of these processes are being reconciled at an entity level, the reliance that you can put on that centrally, and the extent to which it becomes real time data, is significantly compromised by the time that reconciliation happens. So, the integration that we are speaking of is the fact that other HR functions are reliant upon that data, and while it is a system available to all users it does not speak to any other system.

The Chairman: The question is why? Why have they not been integrated? Is that not what Computer Services should be doing for you?

Mr. Austin O. Harris, Jr.: Also, just to complement that point, as you have quite rightly pointed out, when it was used for smaller individual ministries, the information extracted was reliable. But when we spread it out across the overall civil service, that information becomes unreliable. My question is to complement the Chairman's: what are we doing to fix this inconsistency because, surely you will agree, without accurate data we cannot be expected to formulate strategic planning for future outcomes?

Mr. Christopher S. Saunders: Sorry, Mr. Chairman, I just want to probably shed some light on this issue, seeing that this is something I was involved with in a previous life.

We spoke about hardware and software but one thing that many people do not speak about is middleware, and that is the ability for systems to speak to each other. This is not something that is very easily done, and the people who can actually do that are multibillionaires today or multimillionaires. From that standpoint, what I can say is, and, again, speaking from private sector experience, and looking at the report that was actually produced, the information in it is actually quite comprehensive. The one thing, I think, we should be more focused on is what you referred to as the "end-user computing" in terms of the information that is coming out and testing the reliance of that information. I think that is what we need to interrogate more than anything else.

I think the Acting Deputy Governor raised the issue. We are going to get very technical and, I think this is probably where Computer Services would have come in, as the Member for Prospect raised earlier. The technical aspect of this is not easy. When we have a diverse organisation with 70 different entities, just within core government alone, and then trying to track that and having different people doing different inputs and everything else, it is a serious issue. But I think, looking at the quality of the information that came out, even based on going through this report, that is actually something to 1) credit given to the computer guys who actually developed the system because I can tell you, having worked in banks and telecom companies, we can go out and can get SAP [System Applications Products] and those kinds of systems, but those are multimillion-dollar massive amount of systems to run, especially for an organisation this size. So yes, we can probably get systems that can do much of the stuff, but what we are going to pay for it is another issue.

I think over time, based on what these guys have developed, as some technology and things become more available, there is opportunity for them to

improve the system, yes. But when getting into the old middleware aspect now of getting systems to speak to each other, that is something very expensive and is not very easy to do. As big as HSBC was, they had serious HR issues when it came to getting a lot of information and we are talking about an entity with a multibillion dollar, three-trillion dollar balance sheet; they themselves had challenges. So, this is something in terms of the system, it is not as clear-cut as just plug and play. I just needed to add that because, like I said, I think this is where Computer Services needs to come in for them to basically give us what their plans are going forward, in terms of trying to get as many of these systems integrated.

The Chairman: I guess one of the questions that I have, which probably complicates the ability to integrate the system is: why do we have some devolution of authority in HR, but we do not have complete devolution? And how do we assure that the devolution that has taken place is, in fact, effective? Or should that devolution, in the absence of complete devolution to the ministry, so that it falls under a minister and a chief officer, is held completely responsible? As I understand it now, there are HR personnel in each ministry; there are HR personnel in all the major departments, but the HR personnel in the ministry cannot make decisions based on their needs (that is, creating posts, writing descriptions, et cetera); it is a function referred back to centralising. And where does the division come? To me, it seems like we either need to completely devolve it and there is no centralising, or we have a complete centralised system that manages the whole thing.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Thank you, Mr. Chairman.

We are speaking about a number of themes that have emerged. We know that we have an information management theme as it were; we need better system integration to allow us, not only to have real-time information on what is happening across our organisation for a key HR indicators, but we need it to have the ability to also be a forecasting tool for what we are going to need in the future.

The second theme that you alluded to is the issue of what level of decentralisation is appropriate. I can tell you that, at present, we have a high degree of decentralisation from an operational perspective—what positions to fill, the ways that job descriptions are written—that is completely decentralised. A ministry or appointing officer has the ability to articulate, through the budget process, what positions they want, and they are responsible for detailing the description of what those job functions ought to be. What happens centrally is simply a common yardstick for measuring those descriptions, to make sure that there is a common approach to how we value jobs; looking at the job

size and putting that against a pay scale. We are not prescriptive in how the jobs themselves are described, and we are not prescriptive in how many positions. And this is a point of actual contention in terms of workforce planning about what the central guidance is on how these things are happening, but right now, that is a very decentralised model.

The other area of centralisation is not one that is dictated or mandated by law, but has come about by convention, because it has been the area that our HR and managers have historically felt least comfortable managing themselves, which is the input for our HR IRIS system. Not by law, but by convention, we process the vast majority of transactions that happen specifically, as it relates to payroll changes and that, by extension, impacts our demographic information that we also use.

We also, on behalf of the advice that we offer to the Governor and the Deputy Governor, produce our annual HR trends report, which is also available to the ministries and to the departments, but there would be nothing that would prevent them from doing the same on a localised basis, looking at the business needs of their organisation. But, because they have, by convention, become less involved in hands-on management of the data, I suspect that has an implication for how comfortable they are doing the type of reporting that we do at a corporate level. That is my observation there.

There is a point to be looked at in terms of decentralisation. As recently as when we adopted our HR hiring practices policy in April last year, we had a modified decentralisation because of the moratorium. At that stage, we were making decisions, not about what positions went into the budget—that was something that Ministries and Departments were doing directly with the Cabinet through the budget process—but we were checking to make sure that when they were proposing to go out to advertise a position, they did indeed have that position within their budget, so it came centrally to a moratorium committee to review that the position was budgeted before they got permission to go back out to advertise.

The reason why that became such an important function was when we were under austerity, when there were a lot of concerns about the way that we had to condense our budget or to cut our expenditures when we were operating a deficit budget. A lot of times, decisions that were made about any number of expenses, but including budgeted positions, those decisions could be made at the ninth hour, literally as the budgets were coming down to Parliament. It meant that a lot of times, the details that had been developed in submitting the budget when budgets were cut in large sums, were not communicated back in a detailed level to departments, to know what that meant for the specific positions they had put forward.

So, sometimes we had individuals . . . and we saw in the period leading up to 2008, significant expansion in the head count within the civil service. We observed there were people putting in requests to advertise positions because they had actually submitted a request for funding, which they understood to have been approved during initial rounds of the budget process, but actually did not survive when the large sum had to be translated into which posts were remaining within the budget process. Initially in the moratorium process, we noticed a high number of requests that would come forward, that were not actually supported by a position having remained through that budget process, so we were a gatekeeper, to make sure that the positions that were going forward continued to be funded in the budget, given the amount of cuts that were taking place in those early years, right up until about 2012 as a last minute cutting that happened when the budgets were approved.

Today, our budgetary process is much-more straightforward and what we found was, in the latter years, we were mainly just rubber-stamping the submissions that were coming forward because they were, in the vast majority of cases, positions that were funded. So, in the April 2017 Policy that went out, we made it clear that departments needed to confirm that the positions were funded on their R Drive, which is where we keep that data, and as long as it was, it no longer had to come to the POCs, but to where they were proposing to change the position. So, they had funds for a position (they call it an Accounts Officer) but they wanted to turn that into an HR Officer, so that we still knew what positions formed our funded establishment.

They needed to communicate with us so that we could continue to track what was happening with the positions that had been budgeted, so that we still were able to provide that corporate-level response about what positions were funded by government across the civil service. Only in those cases would they come to us but, before, we received a large number of requests that people had submitted in good faith, thinking they had the budget, only to realise that by the time the sums that had been cut from their budget were translated, what it meant for the specific positions that had been put forward.

The Chairman: But is that not an indictment on the competence of the chief officer, the chief financial officer, and the HR person in individual ministries?

Are you suggesting that the process of having a budget approved in this Legislative Assembly which is usually six, eight weeks prior to it actually coming into effect, that they do not know what positions have been approved, as much as we go through it and they come down here and answer questions in detail in Finance Committee, and that we have to have the duplication and effort of somebody in centralised per-

sonnel, actually confirming to a HR person or a chief officer in a ministry, that a position exists? And that they got a position? They do not track their own request to find out whether they were approved or not approved, and you have to do that for them?

Hon. Gloria McField-Nixon, Acting Deputy Governor: Two points I will make, sir:

The first is that I was speaking about a historical situation. We are looking at nowadays, when we have \$100 million surplus, when budgets are submitted well in advance of the end of the financial year, and when the changes that have to be made can be communicated in detail long in advance, and discussed and reflected in our budget documents.

This is a very different time, in context, to what was happening in 2010, 2011 and 2012, when we had significant delays in having budgets brought to parliament, because there was back and forth in trying to get budgets reconciled and, indeed, in having those budgets approved by the UK.

The types of cuts that were happening were not always able to be made in the moment, in a detailed manner. In order to get our budgets approved, we were not making decisions as to: *You've put forward 13 positions; we are taking out Accounts Officer I; we are doing this and we are doing that.* The decisions were made in sums, which then had to be translated into chief officer, and this is where the chief officer came in: *You've put in a funding request for \$100,000 in additional staffing. You have \$50,000 in additional staffing. You need to communicate which of the positions you are going to cut in that process.* There were times that it took time to be reflected and sometimes it did not get communicated down to the level where people had hiring authority; so, down to the departments which had the ability to run those. This is not what I am describing today, which is why that process has been stood down, but it was the situation that applied at the time.

The other thing I will note is the type of detail that is submitted in a budget is often expressed as the sum of a position that you are putting in, and the number of months that position will be funded for. We provide, as part of our central support to ministries and departments, a phased budget. So, if only partial funding has been supplied, we confirm with the departments when that position comes live from a budgeting perspective. Again, this is not typically the case in our current 2018/2019 budget but, it was frequently the case, that positions that had been approved during that 2012-2015 period, were often only partial-year filled and so, we had to help departments translate that, so they were not filling positions in January, which really only had two months of funding in the financial year.

The Chairman: Who is held accountable in that situation?

Is this part of the problem we are now having with garbage being picked up? Is it because we have positions that might have been funded that were not funded, and were allocated and we had a big announcement a couple of months ago, by the Deputy Governor's Office that they had hired 10 people on a part-time basis?

Who is held accountable for having the function performed in a Ministry?

Hon. Gloria McField-Nixon, Acting Deputy Governor: I am happy to report that appointing officers are held accountable and they now have the information at their disposal to fulfil that obligation. I was describing a time when the information was not immediately available to them because of the circumstances that I described.

I do not want us to get off topic here in terms of workforce planning, but I want to draw a distinction between partial-year filling of contracts and what we refer to as "temporary hires". Temporary hire mean that we have the ability to offer someone a contract for a period typically of three months, without advertising it, but it does not mean that that person is actually in a partial-year filled contract, which means that it can be a permanent position but it is a position that does not have 12 months of budget against it, and there are many valid reasons why that would be, but only has a lesser number of months of funding against it.

Part of the reason why people might have, for example, only nine months, is that on average, it takes us about three months between notifying that we have a vacancy and going through the process of getting someone into that position. So, to have people in every instance where they are bringing on a new role, put in 12 months, is probably a duplication of costs that would never be realised in any event and so, we try to get to more realistic budgeting. We help them to express it in those terms.

I would also like to add—because, you have talked about the resources that are available, and there are a number of assumptions that are made here. Not every ministry has, and to just talk about what we operate in the form of centralised versus decentralised HR, our systems of decentralisation of HR anticipates that we will have a certain level of strategic HR available, at the Ministry level, to help guide the HR processes and to be a business partner to the chief officer in fulfilling the mandate of that office. But not every ministry employs a chief HR officer, so you will sometimes see that there is actually a void in that strategic element, because the highest HR personnel available in a ministry, is only at a managerial level, as opposed to being someone that is at strategic—

The Chairman: Is that related to the size of the ministry?

Hon. Gloria McField-Nixon, Acting Deputy Governor: In some cases it is reflected by the size, but in others, there seems to just be a business decision to recruit typically, what they refer to as sort of a HR manager position, as opposed to a chief HR position. So, it is not always determined by the size of the ministry. Some of the larger ministries that you would expect to see a strategic role does not go all the way to a chief HR officer. So, even in terms of the level of capabilities that are being deployed across our various ministries, they are not consistent; and that also has an implication on the demand, sometimes, for the Portfolio of the Civil Service to assist, and it is not because our systems require centralised involvement, but it is because the business reality means that we are called upon, typically, more often in those entities, than in others.

Mr. Austin O. Harris, Jr.: Mr. Chairman.

The Chairman: Just for the listening public . . . sorry. When you refer to the accounting officer, you are talking about the chief officer? That is the person that is accountable, not the accountant?

Hon. Gloria McField-Nixon, Acting Deputy Governor: Not the accountant. Well, unless the accountant is the Financial Secretary, who is also a chief officer, but just to say that when we talk about appointing officers, the delegation that allows this decentralised HR to operate, comes directly from the Office of the Governor to chief officers and they are accountable for their HR function as well as their financial functions and the operation of their ministries, portfolios or independent offices. They also have the ability to onward delegate HR functions and so, that is how heads of departments would also become the appointing officers, and you have the ability for heads of departments to onward delegate to sections and units. So, you do have HR decisions being taken at various levels across the civil service. I think we have approximately 600 people that are responsible for managing/supervising at least one other.

The Chairman: *[No audio to support beginning of what the Chairman was asking or stating]* . . . accountability and responsibility lies with the chief officer—

Hon. Gloria McField-Nixon, Acting Deputy Governor: That delegation which comes from the Governor goes directly to a chief officer.

Hon. Bernie. A. Bush: Through you, Mr. Chairman.

It can be said, that when finding these faults, or any faults in these systems, you all work with Computer Services to fix these faults?

A perfect example, to make it easier for you is when the civil service, which falls under . . . well, you are only acting, but under the Deputy Governor, when a post in government is advertised, and there is a listing, and someone who is not qualified gets shortlisted and in the long run, we then see your Office hire a private law firm to fight a Caymanian for someone who is not even from here, who is not qualified, who should not have been shortlisted, and in the long run costs us money again, hiring a law firm. Will the system cut out those types of mistakes? When someone is not qualified, they should not be shortlisted, but they are.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Mr. Chairman, through you.

The civil service recruitment is one of the most scrutinised areas of activity. We have the highest level of transparency in our processes, as well as accountability that takes us to a dedicated tribunal service, as well as the fact that just about anything we do, is front page news. I say all of that to say, that the IT systems that we are seeking to employ will certainly better enable our recruitment and selection process. I think a part of the value there is not only going to be in terms of the timeliness that it will afford us, but it will also allow us to be able to operate with even greater objectivity, in that, it will allow us to be looking at applications.

One of the current areas for discussion around HR, is generally looking at bias and unconscious bias and the extent to which our systems seek to ensure diversity of the persons who make up the organisation in that, we are not conforming to just hiring people who think like us, went to the schools we went to, or are of whatever unconscious bias that we might employ.

Certainly, when I first became a chief officer, the person sitting around the chief officer's table looked quite different. And so, I can say that we are consciously looking at making sure that persons coming into the civil service feel welcomed and that we are having a civil service that is representative of the society that we serve.

As it relates to the very particular hypothetical that has been put forward by the Member, I do not want to get into matters that are currently being adjudicated, but I can say that what is available in such circumstances is transparency through freedom of information. There are appeals available if someone feels aggrieved, that allows individuals to go to the Civil Service Appeals Commission. There is an audit process that can be employed, and we have our HR audit function that is now subsumed within our internal audit services and there is the ability, ultimately,

where the investigations or irregularities have been found through audit, all the way up to recommendations that can be made to the Governor for the revocation of a delegation.

So, there are any numbers of checks and balances that are built into the system. Improving our IT would just be an added layer to what already applies.

Mr. Christopher S. Saunders: Mr. Chairman, it is often said that good judgment comes from experience and experience comes from bad judgment. I say that to say, and to touch on this issue of the systems, that having been previously a Director at the HSA, I remember the transition to the Serna system. The Chairman, at the time, told the Minister that it would have been best to have taken that system, put it in a box and put it on a shelf. The hospital has not been the same since that system went in.

I say all of that to say this: when we are talking about responsibility, the problem started right here in this Legislative Assembly. We passed a law that basically decentralised vast areas of government and we basically allow these ministries or chief officers to pretty much function within a certain period. I think if my memory serves me right, between 2005 and 2009, the civil service went from roughly 2,600 to 3,800 people with \$90 million per year being added on the payroll. This is why legislative impact analysis and everything else is always needed to avoid these issues, because when going from 2,600 to 3,800 people and right at the end of it, there is a global financial crisis. The civil service has been playing catch up since, in terms of trying to get everything organised now.

I am happy to see that they have developed, and launched, a five-year strategic plan to become a world-class civil service. The issue that I have—and to bring it back to why we are here today—is on the whole workforce planning. I noticed the Auditor General's comments, and I will just read it here, for the listening public, where it says: "The Audit found that the Civil Service had developed and launched a five-year strategic plan in January 2018 with a vision to become a world class civil service. The plan recognises that transformation and achievement of the vision needs to be delivered through its staff. The Government started to collect base line information against which you can measure its performance over the five years." [UNVERIFIED QUOTE]

The audit goes on to say, "There is no organisation-wide workforce plan for the civil service. Neither do the ministries nor departments have workforce plans. There is no agreed approach to workforce planning, which means that where it is being considered, it is being done on an *ad hoc* basis." It also goes on to say that "The roles and responsibilities for workforce planning are not clear. The civil service has a

network of HR professionals across the Government – 55 in total.” [UNVERIFIED QUOTE]

I raise all of this, Mr. Chairman, to try to look forward. We know where we are and how we got here. I think the purpose today is: How do we move from where we are?

I would really like the Acting Deputy Governor to address these valid audit points that have been raised where it says, “There is no organisation-wide workforce plan for the civil service.” What steps are being taken for us to successfully achieve workforce planning? I would also like, for clarity, for the Acting Deputy Governor to advise the Committee, the process being followed to move us from where we are, to achieve what they want to achieve over the next five years.

Thank you.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Mr. Chairman through you.

I thank the Member for the line of questioning because he is absolutely right. We can talk about how we got to where we were and what applied in the past, but our focus and our energy really needs to be on a forward state.

With that in mind, sir, the five-year strategic plan really looks at addressing the underlying factors of HR that are relied upon in workforce planning. I am going to have to say that, while our desire is to continuously improve and to be world-class as a civil service, we have successfully taken this organisation through some very difficult times. The yardstick that was applied to the business strategy which was certainly driving much of the government’s annual budget statements and its strategic budget statements, has been confirmed as recently as the 2018 Strategic Policy Statement, which acknowledged that, over the past four years, government’s fiscal policy was really focused upon achieving compliance with the FFR (Framework for Fiscal Responsibility). That was a driving imperative of the Government and, as it relates to workforce planning, HR was a major component of fulfilling that mandate.

So, our HR teams and our leaders across the organisation, sir, I would have to say responded. And what am I measuring that by? If the compliance for the FFR was sort of our driving imperative and we looked at our data between June 2008 (when our moratorium had been adopted and sort of the time when the impact of the global recession was being felt locally) through June 2015, the civil service reduced in headcount from 3,904 to 3,484 persons being employed; a reduction of 420 people or 11 per cent of our civil service.

When we talk about workforce planning, we may not have the long hand division, but we responded to the imperative and we did it while still facilitating government’s other driving imperatives. We saw gov-

ernment services grow at a time when we were reducing headcount, where we had introduction of things like Freedom of Information; reception classes in our public schools; the adoption of a new Constitution with the Commissions that came on board as a result of that; and the Commission Secretary to support it. There was also the return of the weather service from our statutory authorities back into core government; the focus on E-government; the establishment of the Office of the Director of Public Prosecution (DPP); the evolution of the National Workforce Development Agency (NWDA); the establishment of our Needs Assessment Unit; our response in the financial services front to things like tax information exchange and I could go on and on.

We expanded the areas that government was providing services at a time when we were reducing headcount. We did so without any of the sickouts or rioting that many of the other territories that we speak to, will talk to you about. We are talking about having attempted a more business-like approach to the way that we operate HR and we have done that, not under duress. We have continued to look at how we innovate the way that we facilitate government services by being more business-like in our approach, even to our HR strategy, whereas, other territories that are now looking at a similar decentralisation, that would put the authority and accountability on their chief officers, some of those, only took that move when their Constitution was suspended.

We took that bold step and some of the places that we look to in esteem, still delegate the responsibility for how they are choosing their staff to fulfil their business functions to public service commissions that are about as far removed from the business as one can get. I say all of that to say that we clearly have a long way to go, but I do not want to, by any means, underestimate the contributions that have been made by HR professionals and managers across the civil service, to meet the specific needs of the country and people of the Cayman Islands, and to respond during some of the most challenging times when they did so.

Moving forward, we understand that, now that there is a resumption of a more business-as-usual, the yardstick for measuring the success of the civil service is changing. It is not just going to be about what our headcount is, but the extent to which we are delivering world-class services, and that means a different model for our KPIs as HR professionals supporting the businesses that exist within the civil service. We have, in our five year strategic plan, identified that we need to have better tools to do this.

We also understand, that we need to be able to better organise our various professions, HR being one of the key professions that needs to be reorganised, to fulfil this mandate in the times that we are currently facing. To that end, we’ve hosted a meeting of

the strategic HR professionals; persons who are at least on a Grade J and above, that have some managerial responsibility for HR. We began to really challenge the way that they are looking at their role, and what they have identified as being some of the impediments to them fulfilling a full modern function of HR; moving from being so focused on compliance, to being value-added and being able to do the types of predictive analysis that would allow workforce planning to take place.

We also have been mindful that we should not underestimate the impact that we have had, and the particular challenges that we have, within the civil service. Our goal is obviously with workforce planning and succession planning that we are going to be talking about to increase Caymanian participation within the organisation.

I note in the Auditor General's report there was a proviso that perhaps we need to be looking at succession planning in a wider sense, than just looking at Caymanians who would be filling these key roles. I can tell you that our statute is very clear that that is our priority, and that we speak to succession planning being about the identification of key technical and managerial positions, and having a pool of Caymanians who are able to fill those roles.

If we were to look at this from that sort of 30,000 feet, while the civil service is, as of the 31st December 2017 Report, 73 per cent Caymanian, when we look at that as a percentage of our Caymanian labour force, the civil service has approximately 13 per cent; more than 1 in 10 Caymanians working within the core civil service. When you take that into the broader public service, the amount of Caymanians working there, represent about 22 per cent of the Caymanian workforce or labour force, as reflected in the ESO (Economic and Statistics Office) Labour Force Survey Spring 2018 Report. Therefore 22 per cent of the Caymanian workforce is employed within the broader public service; more than 1 in 5 Caymanians are already employed within the public service. This puts into context the challenge we have in raising the needle to increase representation within the civil service and, in being able to continue to attract persons to those key managerial technical roles, because our primary focus is trying to get Caymanians into those positions and we already have a high penetration of the Caymanian labour force market.

We also note, that some of the challenges we are going to have to be mindful of is how do we contend with (and this has been reported before) the issue of the greying of the civil service; the extent to which we have persons who are facing retirement, that are holding key positions and how we are going to be looking at their replacement.

I can say that, even for the chief officers, since about 2012, we have had some eight Caymanians appointed to chief officer positions. Currently, I

believe we have only two chief officers who are non-Caymanian and only one of those, of our positions, we are forecasting to become vacant over the next five years. For the other, we do have three persons acting now, which include the person acting for me while I am acting for the Deputy Governor; one position that has been vacant and one position that has only very recently become vacant in the last two months. So, there are three chief officer acting appointments at this time. But we have had a high success rate and have recently recruited (since 2012) the vast majority of our chief officer positions. So, even from the very top, we have a pretty solid record of having been able to recruit from within to fill those positions, which is a large part of our strategy for succession planning.

We have also been able to enjoy each year, particular success with promotions within the civil service, so we focus heavily on training; looking at the types of skills that that are going to be needed across the civil service so that people can take advantage of those opportunities when they come up.

Some of the challenges that we have experienced, particularly on the succession planning front, has been (and this has manifested in workforce planning), do we have formal tools? Do we have a formal methodology that has been documented and persons are able to bring up real-time reports against? And what we are finding out, and this report confirms, is that that is not the case, but the shorthand division is still happening. Even without those formal reports, even without systems that you can print off every day that is going to tell you that information, we are doing the types of things within the organisation that allows us to recruit from within, with a high percentage of Caymanians. A vast majority of our chief officer positions being able to be filled by internal promotions of Caymanians, we are developing our staff so that they can take advantage of those opportunities. Every year we have about 150 persons across the Service that are promoted. Over the last (I think it is) four years, we have had in the range of 400 persons that we have brought into the civil service as interns and we have had a significant percentage that have been offered permanent placement, who are under age 25.

We are doing a lot of things that are happening across the organisation at a local level, and at a corporate level, but this information becomes dated the moment that someone captures this in a succession plan, because our systems do not allow for this information to be maintained. The information on the persons who form part of a succession plan is not updated because it does not speak to our demographics information. So, when someone gets promoted and they have already secured another job that does not automatically get reflected in our succession plans because they tend to be more static. We are not getting full credit, understandably, when you are looking at workforce planning, because you are not going to

find documents that perfectly summarise what is happening across the organisation, but if you look at what is the practice and how is that being reflected in our experience in filling positions, we are having significant success in being able to fill from within our key positions.

We are investing significantly in training and development of our staff, particularly looking at the management functions that they are going to need to be successful in those roles. And also, increasingly looking, as well, at leadership functions and what is going to be required of leaders, both now and in the future, because we are moving from a commanding-control type of organisation to an organisation where persons are going to be called upon to be able to really motivate their teams and be able to articulate visions, to strategically plan for the changes that are happening, not just within the civil service, but externally, that are impacting this country. This requires a different skillsets that might even have been captured five or ten years ago in the ways that jobs were described.

This is a part of the work that is happening with our core competency framework, looking at those common skills and we have been significantly investing in those things to help get people prepared. We also know that (just as I have described has happened even during that period of austerity for us) the types of positions that will exist 10 years from now will be very different to the ways that we describe positions. The titles might not exist currently anywhere within our organisation. So, we are trying to focus less on who is going to be the next whatever that IT role might be, and to speak more about what are the skills that we see as being in demand and providing training against those skills.

There are some constraints, even to workforce planning, when getting much beyond that sort of five-year horizon, and this is where we kind of have had some discussions about what is expected within the organisation. We are improving things like performance management, training and development, the ways that we are going to be seeking to recruit and attract persons to the organisation. There were discussions about what are our retention policies. Well, we do not have that documented anywhere, but we also have pretty good retention of staff.

It is looking at what is the reality on the ground, versus do you have a list of policies that we can tick off as having been present and what are the reports that you can provide against those policies. And on the latter two, we have noted challenges. We are not fulfilling that aspect of it, and we know there is some frustration because, a lot of the work that we have proposed, if we were to do it right now, would become dated the moment it was filed because our systems are not integrated and do not have the ability to update that work. But in practise, we are having

success with being able to fill positions largely through persons who are within the organisation and we are having a high degree of success in being able to attract Caymanians with the exception of certain professions where the demand for labour overall has been challenging for the organisation, not just in terms of being able to get adequate Caymanians, but looking at the demand. For example, education; what that means, in terms of being able to fulfil those types of roles by having even higher penetration of the Caymanians workforce, if we try to Caymanise every one of those positions.

When we take out of the equation the particular professions that are very labour intensive, education and police being two examples, the percentage of Caymanians that are represented in the organisation goes even higher, because those two professions tend to be the most challenging in getting all or the majority of positions filled by Caymanians. We are looking at what is the context of that, but if you look at, in practice, what is happening, we have had a high degree of success and that is looking at it from the macro picture in terms of percentage of the Caymanian workforce employed within the public service, as well as our ability to fill key roles such as chief officer roles, from within.

Mr. Christopher S. Saunders: Mr. Chairman, I just want to thank the Acting Deputy Governor for that comprehensive response. I wish that more people in Government would be as knowledgeable as the Acting Deputy Governor.

In terms of yard stick, which you touched on, one of the yardsticks for me is going to be the Government's use of consultants. Earlier this year we went through almost \$35 million spent in the last five years on consultants, which is average \$7 million per year which basically, for one, tells me that a lot of the expertise that Government would need, that costs money, is not available within the civil service.

Just two of the things that jumped out at me, and again, I am looking at your annual HR Report 2016/2017. I noticed on page 17 that, over the last 18 months, 542 persons left the civil service, and this is just core government, by the way. Considering that you were starting at 3,600 as per your report on page 2, and you have 542 persons that left, which is roughly around 15 per cent (if you do that roughly) of which, 380 were Caymanians and 162 were non-Caymanians. If 15 per cent of your people leave, and considering that these are people we could have probably invested in, that in itself is quite concerning, because that is above what the normal is in other organisations. And, on the succession planning part, over the last 18 months (again, as per this report) you went from 3,600 employees within core government, to 3,778, an increase of 178. But what jumped out at me with that increase is that, of the 178, 70 were

Caymanians and 108 were non-Caymanians. So again, the question for me is: Where exactly, is the training and the development coming from?

When we have 542 leaving in the space of an 18-month period, that is a significant number when starting at 3,600 and then, when we look at your growth of the 178, with 70 being Caymanians and 108 being non-Caymanian, it basically says that there is still a gap somewhere along the line that we are not addressing. What I am looking for is: what steps are being taken to, in essence, have a stronger retention because, one of the things the Auditor General noted was the lack of exit interviews. Fifteen per cent of the people left and we do not have a concrete idea as to why they left, so that is a lost opportunity in terms of finding out what is happening. It could be a situation where a good portion of them were also managed out too. In terms of looking at the trend going forward, even with the growth, the civil service is growing at a fast rate of non-Caymanians, as opposed to Caymanians, and that, I think, is something that needs to be addressed.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Through you, Mr. Chairman and I thank the Member for his question.

In looking at the information as you've said, that appears on page 18 of our annual report; of that 542, we have some broad categories explaining why they left because, you are right, we do need to look at that generally. Five [persons] died; 18 were dismissed (and we can expect those numbers will be growing); and we had 221 at the end of their contract. Keeping in mind that at any given time we have somewhere between 24 to 26 per cent of the civil service on fixed term contracts by virtue of being non-Caymanian, we expect that, as those contracts are ending, we would have another opportunity to look at whether a Caymanian can be put into those positions; to look at whether the position is still needed, or if it was a form of consultancy brought in as temporary staffing. Sometimes that number could mean that persons elected to leave at the end of their contract, or it could also be [that] it was not offered as a contract renewal, but oftentimes it gets caught up in this broader category of "end of contract".

I say all of that to say that we do have some indication, although these are categories that are still pretty broad. We have persons that were retired, some on medical grounds, as well as transfers to our statutory authorities.

The use of exit surveys would certainly give us more detailed information and we have had some departments that heavily use them. It is a tool that is available, but has not been as widely taken up. I know that there have been some departments that felt they had been burned when this all became FOI and all of these details were published, and it may have had a

chilling effect on them wanting to be as proactive in getting this information that is a management tool. We have had to say to them, *Do not be short-sighted in the value that your exit survey is going to give you. It is another tool, very similar to our engagement survey that helps you to understand what the factors are at play within the organisation and, indeed, where you might have . . .* It is said, people do not leave organisations, they leave managers, right? So, it gives you another way of being able to provide that information.

What I can say, is that while we do not centrally facilitate the exit surveys, some departments continue to do that de-centrally, but what we have introduced since last year, and we have just completed it again this year, is across-the-board engagement surveys that delve into the working conditions and the issues of staff across the civil service. That is also a way to capture what is happening, hopefully before it results in someone getting fed up and actually leaving the organisation. So, we do have some central tools for looking at those sorts of issues, but we agree that having the exit surveys done more routinely, would be a very useful tool and it is something that we are looking at adopting as a part of our KPIs for the profession going forward; one of the regular things that HR will report on, across the organisation.

Mr. Christopher S. Saunders: Through you, Mr. Chairman. From a governance standpoint, would it not be best for those exit interviews to be done by the non-department? This is an opportunity to really evaluate. I am going to tell you what I am uncomfortable with: we talked about the number of dismissals. It is the lack of dismissals at the senior level; and that, for me, is really where the issue is, because, when we look at the departments that had the most leavers in terms of Caymanians—District Administration, 97 left over the 18 months; Education, 48; Environmental Health, 14; Immigration, 24; Police, 15; Public Works, 15; and Health Regulatory Services, 24.

When we start drilling into the actual breakdown of who is leaving where, those are some of the same departments that have the same challenges where the public is concerned. What I am afraid of is that, as you said, people leave managers and we need this information. I think this is where POCS needs to come in and independently go through the process because if the very same people are doing the interview that the persons are leaving, what are they going to say? As you say, they are getting burned. Well, they need to get burned, because the public business cannot be done in private, and the management issue within the civil service, is one of the things that the public really needs more confidence in.

The junior people are always leaving, most of the time, but we need more senior people gone. Well, not you, but . . .

Hon. Gloria McField-Nixon, Acting Deputy Governor: Not me yet, right? *[chuckle]*

[Laughter]

Mr. Christopher S. Saunders: We have a long way before we get to you.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Through you, Mr. Chairman.

The Member has a point. Part of the numbers here that I would say is (and the Auditor General's Report prefaces this as well) that sometimes on the percentages game, small departments are misrepresented because, if you are a department of five, and you have one person leave, you have 20 per cent turnover rate, right? That is one caveat, I would say.

The other thing is, and you mentioned District Administration (it is in the report), but I also feel compelled to talk about—

[Inaudible interjection]

Hon. Gloria McField-Nixon, Acting Deputy Governor: I know, I know, but again, when you look behind the numbers, for example, this report will say that 45 per cent of Caymanian leavers had less than one year service on leaving the civil service. This is largely related to the opportunities offered for Caymanians on Cayman Brac in short term, office attendant, three roles, whereas, the internship program offered on Grand Cayman tends to be over the summer or the Christmas for two or a maximum of three months duration. It is structured in Cayman Brac as a gap year program, so, as young people are leaving school before they are of age to head off to university, either here in Grand Cayman or abroad, that they have that ability.

Their internship program, because it is outside of just the two or three months that are offered for the others, their numbers get caught up in the employment numbers because they offer them a year's program and then they roll over and another group comes in. Some of what you see manifested, for example, in District Administration, would be because of that program where they have a significant number of one year appointments for school leavers during the gap year.

We centrally have some indication of the types of programs that are employed. We also know that sometimes there is a significant disconnect between the perception and reality. The perception that the turnover in, particularly, the uniform services is so much higher, when we look at the numbers, that is not borne out. But then we get some functions where we do see that turnover, and it coincides with other indicators that we have. Those could include our engagement indicators. This could include grievances

that we are aware of. Matters we speak of from employment relations perspective with the civil service Association gives a full picture. And you are right; those are the cases when there are pointed discussions about leadership performance.

Mr. Austin O. Harris, Jr.: Mr. Chairman, whilst I do have two specific questions for the Acting Deputy Governor, I would like to defer to the Member for George Town South, giving her an opportunity to engage in this conversation.

Ms. Barbara E. Conolly: Thank you.

Mr. Chairman, through you, to the Honourable Acting Deputy Governor:

My question relates to Resources and Information to Support Workforce Planning and Management in the report. Paragraphs 79 to 85 report that the Cayman Islands Government had around 55 human resource staff to support its workforce at December 2017. In Exhibit 9 on Page 33 of the Auditor General's Report, Government's HR staff to workforce ratios compared to human resources management benchmarks at December 2017, show that the Ministry of Immigration, Department of Immigration and Ministry of Community Affairs HR staff levels are below suggested benchmarks, but NWDA [National Workforce Development Agency] and DLP [Department of Labour and Pensions] levels are higher. I do not think that the report is suggesting that the Government needs to employ more staff. My question is: Is there any progress made in reviewing the distribution of some of the HR staff in that, the Ministry of Education is at a lower level versus NWDA?

Hon. Gloria McField-Nixon, Acting Deputy Governor: Through you, Mr. Chairman.

The ratios are illustrative of what organisations tend to have in terms of the number of the HR professionals versus the number of staff. There are a number of factors that impact how this actually operates on the ground. There is a certain critical mass that you need in order to function and so, the ratios may seem higher for small departments, just in order to have some representation of HR present in the entity. For larger organisations, they may seem to be under represented and I know, particularly for small departments, there may be no presence of HR but rather, the HR function is being fulfilled by a manager who dedicates a part of their time to HR, as opposed to having a dedicated HR professional.

The situation that you have specifically alluded to, relating to the Ministry versus . . . and I am trying to remember the relationship here. So, that I understand; this is the Ministry of Education versus the Department of NWDA that now sits under another Ministry?

Ms. Barbara E. Conolly: That is correct.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Okay.

Again, we have been on a journey with decentralisation. When it was first rolled out there were two models that had been put forward and one model was to continue to have HR as a centralised shared service enter into service level agreements and have a dedicated team that is located centrally who supports your ministry and departments in fulfilling their HR obligations.

The other model was to 'buy and build your own' and, without exception, every ministry chose the 'buy and build your own' model. Initially, that was manifested in HR being deployed across the organisation, not just at a ministry level but at the entity level.

Over time, it has been the practice that most ministries have recentralised HR to the ministry, as a shared service that is available from the ministry level, unless there is a large Department (police for example) or there are pronounced challenges there, or a particular strategy in place. For example, Public Works Department will have a dedicated HR team that includes someone responsible for strategic learning and development and they have a very particular strategy in place that is also about developing persons in that sector to be able to take up leadership positions, not just within the organisations, but also helping to develop almost a trade training facility for the Island generally, because they have access to that expertise. So, there is the ability to centralise, even at a ministry level, versus decentralising it to the departments, and most ministries do that.

We would think the problem would be resolved if this shared service sits at the ministry level. What has happened in practice is that, ministries will change significantly in size, following elections. The suggested ratio (and it has been put against the different size entities) was for an organisation of 1 to 250 fulltime employees should have a ratio of 3 to 40, and for an organisation of 251 to 1,000, 1 to 22. A lot of times, it gets down to how do we reallocate those resources, knowing that the numbers are not always illustrative of the expertise that is available?

I spoke to you about the fact that across the ministries right now, even though some ministries may have more staff in HR, they may have no presence of strategic HR, so they are taking an approach where they are putting more operationalists, and deploying them to the problem, than they are a strategic facilitator/organisier/leader of the profession within the department. Because there are these different models at play, it is not always as simple as one for one. I think the ratios are just meant to be illustrative but because, in practice, you do not have a common approach that is being deployed, in the way that ministries are choosing to build and manage their own HR function,

it has brought us to the conclusion that we need to go back and have a discussion with the people who are accountable for the function of their ministries, to ask how HR is being delivered across the civil service.

It would not be acceptable . . . I am sure the Audit Office would not be too keen to be receiving accounts for audit that had been submitted by the financial administrator or the accounts officer III, but we somehow do not take the same approach to the people that are advising on Government's single largest investment—its people.

We are having discussions at a chief officer level, about understanding how you relate to HR professionals within your organisation and who you need. If you are going to have a build or buy your own model, then you need to have a certain level of expertise at your disposal, in order to fulfil your mandate. But we are also having discussions about what that minimum capacity would need to be, across those organisations.

Education is a prime example; it has certain drivers to its business which are different than the business imperatives for other organisations. Every August you need to have a certain number of people that have been recruited in order to get schools open; you have a high rate of evolving clarity on the education strategy which impacts who those people need to be, and what skillsets they need to have with particular emphasis, of late, on making sure that you have people who are support services to allow greater inclusion of people who have different learning challenges. So, someone who is able to articulate, develop and deliver the recruitment strategy would be very different than, perhaps, the type of strategy being deployed at another ministry.

I say all that to say that it is not always as simple as saying one entity has five and another entity has three, because of the skills that they have and the ability to translate the business strategy into a talent strategy, very significantly, from one entity to the other. That was very evident when we met with the strategic HR professionals across government in a room talking about the future direction of the profession as to what do we do now and how do we spend the majority of our time now. If you can imagine a world where IT was integrated and available to you, how would you spend your time differently; and how many could articulate that; and how many were able to demonstrate the value-added that they had in their roles now.

There is more work that needs to be done, but if we are also talking about adding additional ministries, we need to be mindful of the business model that we take to shared services; that even having it at a ministry level, may not be the most efficient level of shared services, and it does not mean that everyone needs to come back to the Portfolio of the Civil Service. I am not suggesting that at all, but ministries

have the ability to be significantly volatile in their size and focus, from one election to another, and having HR professionals being able to be as agile as that pace of change, in terms of who is a part of their team and the skillsets that they bring to the team, may create additional pressures that do not need to be contended with. We have to have a discussion about the business model.

We currently are looking at, and the previous Member mentioned the use of consultants, there are sometimes when it is useful for us to have an objective facilitation of a conversation. We do not want to be perceived as having skin in the game and having a view as to what level of shared centralisation of shared service is appropriate. We have seen, just from one election cycle to another, the difference in the ability of HR and Finance, even at a ministry level, where they are concentrated, to be able to cope with the changing scope and focus of what now constitutes that ministry, and that has implications for the way the business is able to be delivered.

We need to go back to the table to say, *When we launched this in 2008, this is the view we took. Do we take a different view in 2018, as to how we do this? And if we were to go with the recommended ratios for all of these entities, what would be the cost implication and what would be the implication in terms of the market, the supply side of this? How many Caymanians with the skillsets that we need, are we able to replicate across this organisation, in all those ministries, in order to fulfil this Mandate? And, when a Ministry reduces its size, what is going to be our view of how that resource is utilised going forward.*

Sometimes, these ratios can be a bit nonsensical; because you end up with three-fourth more persons than you were supposed to have. So, when it is centralised at a ministry level, it will create certain inefficiencies from a staffing or financial perspective, but strictly pursuing a model that is just based on efficiencies could also compromise the level of proximity you need to the business, to deliver what you were established to do. There needs to be a balancing of those two perspectives. And so, that conversation has started at the professional level with the strategic HR professionals, and we are currently in the process of considering bids to bring on board an entity that can help facilitate the discussion on what level of centralisation of the HR service should we have and what the structure of that is.

To talk about a Readiness Assessment, we talked about certain HR functions that need to be operational for workforce planning to operate. We are going to be looking at our readiness assessment for where we are in our progress with performance management, talent acquisition, and learning and development. We are also going to ask that consultant to help us look at a framework that would be suitable to the businesses that we operate in Government, so

that we can have a common way of articulating our workforce plans going forward.

Mrs. Sue Winspear, Auditor General, Office of the Auditor General: Through you, Mr. Chairman: I was just going to add that we very clearly give those for indicative purposes only. I think the one point which Exhibit 9 demonstrates is post-election, big chunks moved around and the people moved around that perform those functions, but I do not think the Government gives enough thought to the support functions that support those big groups of people that move around. So, Exhibit 9 is a reflection of what has happened, to some extent, after the change with machinery of Government.

To Miss Gloria's point: where we have different business models of departmental HR functions versus ministry HR functions, it does lead to, potentially, not having the right mix of HR skills where needed, because a department is unlikely to be able to afford strategic HR function. So, all of those things, I absolutely support Miss Gloria; it really needs to be thought through. It is only indicative and we are only saying it is indicative, but there needs to be thought given to the support needed and at what level.

The Chairman: But, is it not the short answer to that, just to comply with the Constitution, in that, the Governor sets the ministries and any politician coming in, takes the ministry or leaves it? The idea that we allow a particular politician to cherry-pick subjects that become so disruptive to the efficiency of HR accounting is preposterous. That is what the Governor and the Deputy Governor are for; to establish the ministries. And they sit there and have this analgesic [PHONETIC] effect and we have these skills that remain in-house. What we are trying to do here, is simply to accommodate the wishes of some politicians on some fringe element, wanting some particular subject, which probably has some corruptive value to it, more than anything else!

Mr. Austin O. Harris, Jr.: Thank you Mr. Chairman.

Mr. Chairman, I am grateful to you for raising, as an example, the issue of garbage collection, because I believe it is an excellent example that points to the gaps in workforce planning that the Auditor General's Office has highlighted in this report of April 2018.

I would like to refer to Appendix 2 on Page 43, which is the recommendations page of the Auditor General's Report.

Recommendation No. 1 states:

1. **"The Government should ensure that Ministries and large Departments develop workforce plans to ensure that they can deliver their long-term strategic objectives.**

These should be combined to develop an organisation-wide workforce plan for the whole of the Government, that sets out its workforce needs in the longer term and how it plans to address these."

I read that only to state that I would suggest that garbage collection is the Government's short, medium and long term key objective. The Management response to this recommendation was that the Portfolio of the Civil Service would implement a five-year strategic plan workforce strategy that was launched in January of this year and spans from January 2018 to December 2022.

We have spoken in great detail, I think, about the demand for labour and the need to fill human resources with the budget approvals that were gained in the Legislative Assembly, but I think, when we look at the Department of Environmental Health being responsible for garbage collection, this is not so much about a demand for labour or filling gaps in resources, vacancies or otherwise, but this is an example of what I think the Portfolio of the Civil Service means in their five-year strategic plan—Objective 2.3: demonstrating accountability and high performance. What is lacking on DEH is the will to terminate persons who are not fulfilling the job requirements, persons who are guilty (if you will) of on-the-job infractions but it touches on a subject which is not oftentimes raised in the Civil Service, though we do note in this DHR report that there were some 18 terminations within the civil service.

My question here is: As part of our workforce planning, what attention and priority is being given to the accountability factor and removing persons who are not fit-for-purpose in the roles in which they have responsibility for? A good example of this can be seen in the current Department of Environmental Health and, in particular, the persons charged with collecting garbage.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Through you Mr. Chair—

Mr. Austin O. Harris, Jr.: And certainly, just to that point when we talk about accountability (and I thank the Member for Bodden Town West for reminding me), the Honourable Acting Deputy Governor in previous evidence stated, that the appointing officers are held accountable for these ministries but, ultimately, the chief officer is held accountable.

Now, whilst my question is deliberately focused on the individuals on the ground, whether running the garbage trucks, picking up the garbage, failing to complete what is a day's schedule to do a full road but they only do half the road so they can rack up overtime and, fundamentally play the system, which has also been ongoing for some time, where it

necessarily follows that, whilst those on the ground should be held accountable, certainly, those in senior management (appointing officers and chief officers) should also, likewise, be held accountable in their performance appraisal or otherwise.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Mr. Chairman, through you: I thank the member for his question and also his reference to our management response—we concur.

When we talk about how much preparation is being made for workforce planning, our five-year strategic plan has the key ingredients, I think, to developing the type of talent outcomes that are necessary to become a world class civil service that is making the lives of those we serve better, so, it is a significant part of our road map towards having our workforce planning being fully operational.

You talked about objective 2(3); that objective is under the goal of leadership. We have five goals within our five-year strategic plan:

- Customer experience
- Leadership
- Talent development
- Communications and
- Good governance

We think that those are the keys to consistently being able to deliver a world class outcome.

I would say that the UK's Civil Service Workforce Plan Summary talks to there being three broad priorities that have been established by their Civil Service Board:

- to improve the commercial capability of the civil service;
- ensuring that the civil service is world leading in terms of digital transformation; and
- improving the diversity and inclusiveness of the civil service

Against that, they also have five themes. So, we are not that far apart in terms of what will be articulated at a corporate level—just to provide some clarity and manage expectations as to what we will be doing there.

Under the leadership goal, you spoke to objective 2.3, which is demonstrating accountability and high performance. I would also point to 2.1, which is fostering world class leadership. The performance, ultimately, of all of our departments hinges highly on accountability and upon leadership. We are very clear that leadership needs to happen at all levels. There are some people who do not have any formal responsibility for leading others but are still expected to lead themselves, including leading themselves to work every day, leading themselves through the workday, fulfilling their functions that they are being paid to do and leading themselves into the proper training and

development that would allow them to participate in future employment and promotion opportunities.

While the vast majority of our staff and leaders (I am happy to say) do us proud, even during our most difficult days, we have some persons who (to use the expression that we recently explored in a leadership training session) we need that can help set the momentum, the pace for our achieving a world-class status. Those are the people that we expect to be our runners, and we expect the people in formal leadership position to be a part of those runners. They are going to be doing the difficult things that are called upon for a leader including having difficult conversations and holding people accountable who are not performing.

On the other extreme of that we have the people who are the passengers on our bus, who are not doing anything to help us fulfil our mandate and are simply enjoying the fruits of someone else's labour. That can be highly demotivating to the teams that otherwise are giving their all. So, we are looking at what is the performance of those individuals and how is this being captured in their performance appraisals. And where we have people that have been passengers for some time and are not helping us to move towards being a world class civil service, what is the common denominator in terms of leadership that we have and what are the difficult conversations that are being had there.

There is a process, I can assure you. It used to be that a large part of the mantra that we had, as leaders, was that failure was not an option. We do not say that any longer for very real reasons; we want our leaders to also be innovators. They have to take risks and try different things. But when you have someone that you are leading, who is consistently letting you down and it continues to be tolerated, then that does have to be addressed. There are conversations that happen right down the cascade and those conversations are captured in writing and those performances are being addressed.

The Chairman: What is done about them at the end? I just want to take a practical approach to this in using the example that the Member for Prospect said. Supposedly, according to the press, the problem with the collection of garbage is that drivers are not turning up to work. Those drivers have a supervisor and if that supervisor is not doing his job, that person has a supervisor who should be seeing that that person is doing their job. That person comes all the way up to the chief officer. The department head has evaporated like Elijah and the chariot, we do not know what happened to him, why he left, what he got or anything else, but, above the department head exists the chief officer, who is, ultimately, responsible and ultimately accountable. Because, Management 101: you can

delegate authority but you cannot delegate accountability or responsibility.

At what point do we hold a chief officer accountable because a department head has blown millions of dollars or whatever the reason is, and garbage is not being collected on the street?

An apology by the Deputy Governor to the public, because a chief officer has not done his job, is not good enough for this Committee.

Hon. Gloria McField-Nixon, Acting Deputy Governor: I want to acknowledge the sterling work that I think is happening by the Leadership team that has been parachuted into the Department of Environmental Health, Mr. Simms and Mr. —

The Chairman: It is worst.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Well, Mr. Simms—

The Chairman: Garbage is being picked up less. The public health legislation requires that garbage be collected from residential areas twice per week. It does not happen in North Side, once every two weeks now, much less twice per week.

Hon. Gloria McField-Nixon, Acting Deputy Governor: The operational collection of garbage, for some time, the response has been, to at least have garbage collected on a weekly basis. There were systemic issues that the leaders faced in going into environmental health that did not happen overnight, and they have been making steady progress which is reflected in the increased reliability of the equipment that was previously routinely reported as being down. They are getting that equipment up and consistently running. They have had noted challenges with persons who have not been operational either, because of poor attendance records or, in some cases, persons who had, for a long period of time, been on alternative duties, although they were still showing as being part of the collection crew. The team has gone through getting those files put together and getting a definitive response on those issues as to whether these are medical issues or whether these are persons that need to be put back to work. They are cleaning up a backlog of issues across the board that have impeded the performance of that department and they are making steady progress.

Now, I can tell you that that also means that when apologies are coming out and, unfortunately, they will be the first to admit they are not world class yet but they are making strides towards it; those apologies are coming out at the appropriate levels from the department to acknowledge that, regrettably, it has not met its targets and to communicate what it is doing to address those.

I would reiterate what the Deputy Governor, Mr. Manderson, has said: we are very apologetic for the situation that has occurred at Environmental Health. We beg for the public's continued patience because there is new leadership at the department. They are making steady progress but have a significant amount of issues that they are attempting to remediate and there has been, in some cases, wilful challenge to being held accountable, which they are taking through the proper disciplinary channels. That has meant these leaders, even being involved in writing people up themselves, to make sure that there is a timely and appropriate response to when people are choosing to be passengers, instead of being the high performers we would expect of our team.

Mr. Christopher S. Saunders: Through you, Mr. Chairman.

The two primary excuses that we have been given are: equipment failure and personnel. I am then curious as to why then, take the person who is in charge of equipment or who would have been responsible for the equipment failure or downtime or whatever; to take that person and move them to the department to which they could not get the equipment for.

This is not to cast anything on the Director, because I think he is a highly competent individual, but the argument that it is an equipment failure issue, and then you take the person who is in charge of the equipment and move them to DEH, really does not make sense from the public's standpoint. We believe that it has to be more than equipment, from that standpoint. It cannot be a situation where the management of the department has changed and the problem still continues. So, clearly, it cannot be an issue at a management level.

What I am trying to understand is the overall governance. Section 15 of the Public Service Management Law (PSML) is clear as to the duties, responsibilities and powers of the Head of the Civil Service who is the Deputy Governor. Looking at the very report that you guys produced, one of the things that jumped out at me from a governance standpoint—and this is what I am trying to understand since it is included in your report.

I looked at Cayman Airways, again, in looking at page 2, at the demographics for the 18-month period between June 2016 and December 2017. Cayman Airways staff headcount remains flat at 393 but the non-Caymanian number went from 32 to 56. So, it went up by 24 non-Caymanians and it decreased by 24 non-Caymanians.

I looked at Children and Youth Service (CAYS) Foundation and that went up by six employees, but when looking at the actual breakdown, the number of Caymanian employees went down by five, and the number of non-Caymanian employees went up by 11. And when looking at the Maritime Authority,

they went up by 17 staff of which five were Caymanians and 12 were non-Caymanians. What I am trying to get from a governance standpoint is: where is POCS in all of the governance?

Ultimately, this responsibility for the management of the Public Service still resides with the Deputy Governor. Granted, some of the organisations also have their boards and everything else, but from a governance standpoint, especially with the passage of the Public Authorities Law, where does the Deputy Governor really put his foot down?

I go back to the very first question I asked the Governor last year at the MLA orientation to which I think you all were also present. I asked Governor Kilpatrick at the time: what does it take for a senior civil servant to be fired? In particular, I called out for the Commissioner of Police, who resigned, but was still given a year's salary. These are the kinds of things we need to know. Yes, mistakes get made, but what we do expect people to do is to own those mistakes and, if needs be, someone needs to be fired, but we cannot have the issue that we have continuing with the garbage and a director, like the Chairman said, left like Elijah in the chariot, and then nothing else. It is not apology, it is accountability. That is what we are looking for.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Mr. Chairman, through you. I noticed that the member had a number of parts, so I am going to try to recall them.

Going back to his question regarding the governance of the wider Public Service and the numbers he reported, as being the representation of Caymanians in some of the various statutory authorities: I reference page 1 of our report, and it speaks to the source of our data. I will specifically read the section that says: "Data relating to the civil service has been taken from the Cayman Islands Government central HR Database—HR IRIS. Statistics relating to the wider public service have been compiled from self-reported data provided by each respective statutory authority and government-owned company." [UNVERIFIED QUOTE]

We have no way of otherwise validating or knowing what numbers are at play within those SAGCs, other than through their own self reporting. But this is our attempt to fill that void so that we can, at least, get the highest level of overview across the wider public sector, but you will note that we do not go into any further detail other than head counting Caymanians versus non-Caymanian, which comes exclusively from their self-reporting.

I can further add that our website has updated information because, upon our publishing this initial report, a number of the SAGCs, or at least two, came back with some further revisions. So, I am looking at a report which says that we had revised June 2016 data

submitted by Cayman Airways and UCCI [University College of the Cayman Islands] following publication of the 2015/2016 report, and revised June 16 and December 17 data submitted by MACI [Maritime Authority Cayman Islands], following initial publication of the 16/17 report.

Mr. Christopher S. Saunders: Sorry. Just to be clear, my question was governance in terms of, what role then, if any, does the Portfolio of the Civil Service play with these entities? This goes back to the discussion I had with the Honourable Franz Manderson, in terms of, should it be the Portfolio of the Civil Service, or should it be the Portfolio of the Public Service? At the end of the day, someone still has to give an account.

They are included in your report, so, somewhere along the line I guess you guys felt the need to include them as part of the Service. From that standpoint, and going back against the governance now, with the Public Authorities Law, we would have to go through the Ministry and even the Portfolio of the Civil Service for key management position, remuneration and everything else. So, there is intent to increase the governance for some of these runaway entities and this is what we are trying to get at: What governance? How do you guys put your foot down and say: *This cannot work and this is not in line with what we are trying to achieve.*

At the end of the day, if you are trying to build a world-class civil service, and you have almost 2,000 people in SAGCs (well, 1850 or thereabouts) as part of the public service, and they are not included in the vision, then how do you include them into your vision? This is a material amount of people that we do not want becoming mavericks and doing something else.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Mr. Chairman, I am going to try to differentiate a debate on the ideology of what governance model should be at play and just speak to the governance model, as I understand it.

The powers of the Portfolio of the Civil Service are largely found in the Public Service Management Law, which is the employment framework for the core civil service. The same is true of the Deputy Governor, although the Deputy Governor is also a recognised constitutional position.

As it relates to the public authorities, there is a governance model for them as arm's length bodies, which sees their boards as being the primary agents for addressing the governance of the entities. The Public Authorities Law seeks to extend that, but the approach taken (and we can get into debate and I am sure there are views on either side) in the end was that the enforcement of that Public Authorities Law for the SAGCs, the implementation of that Law, has been invested in chief officers to fulfil. The role of the Deputy Governor is not articulated as such in the Public

Authorities Law and, as it relates to the Portfolio of the Civil Service, we do have an envisioned role currently for the evaluation of chief executive officers or the heads of those statutory authorities, and, in the next year, to assist with the evaluation methodology for all staff.

The reason why they are included in our report, although we do not have sight or responsibility for their HR, is that this is a basic metric that any country is asked to report on—what is the size of your wider public service. While we do not have immediately at our disposal the information to do that, we have sought their cooperation in providing such information, so that we could provide, at least, that highest level of report across our wider public service. We are not able to get into the granularity of the analysis that we do within the core civil service, because their information is invisible to us.

Mr. Christopher S. Saunders: That is exactly my point. The Public Authorities Law gives the chief officer basically the oversight powers or whatever needs be; the governance. They are the ones who play a more active role, but the chief officers are still accountable to the Deputy Governor. The question then is: If the chief officers are not doing their job in terms of enforcing that law, or doing what they are supposed to do, at what point, does the Deputy Governor step in to deal with these issues?

That is really what I am trying to get at—who, ultimately, has to be the one to put their foot down? The reason being, that when you read the Auditor General's report, we spend a considerable amount of money on salaries. Even though section 55 of the Constitution is clear in terms of the reserved powers of the Governor, I think somewhere inside there it also says, "provided money has been budgeted for it", which means that the legislative body (this body), we are the ones who set the money aside and so, we need to still make sure that we are getting value for money. The question now is: For the money that we have voted which is being spent on salaries, how is that money accountable? If it is not for you to answer the question, then who do we need to bring in? But someone needs to let us know who is accountable for that money we have voted.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Mr. Chairman, through you. This esteemed body has the ability and does, routinely bring in, persons who have been allocated monies through the budgetary process; and you have the ability, as you are doing with me, to ask questions of them about the expenditures related to their entities including how they are addressing the expenditure of their personnel budget and the fulfilment of the governance of their organisations. This is something that even beyond the employees, there will be representation from mem-

bers of the board of those statutory authorities and government-owned companies that can speak to the broader governance issues.

Wearing my substantive hat, persons like myself, also come down here as Chief Officers to talk about the governance responsibilities we have for the SAGCs that fall to our particular ministries or portfolios and, ultimately, the Deputy Governor has responsibility for the performance of the chief officer across all of their areas of responsibility. As someone who spends the majority of her time, with the exception of the past five months, as a chief officer, I can tell you that the mandate is growing considerably and shows no sign of letting up the areas of responsibility.

This has been explained and reported on looking at the governance of statutory authorities and government-owned companies and the mechanisms available for chief officers in fulfilling that function. It is not as direct an oversight role as you would have, for example, for a department head that reports to you. Individuals who lead SAGCs are appointed by their boards of directors. Where a chief officer or a member of that ministry or portfolio sits as a member of the board, they are currently not in a voting position and, even if they historically had been in a voting position, they are one of any number of votes. So, a lot of times the wherewithal that a chief officer has, does not always come from an authoritative position but you are still expected to be able to have sufficient influence on the outcomes, using the tools that you have at your disposal.

So, if you are concerned about the performance of your statutory authority you can, for example, call upon the Office of the Auditor General to investigate that performance, so that you have a basis for addressing that through the board. If you have issues of the mandate and the extent to which the functions of the statutory authority align or do not align with the government's priorities, then you have the ability of going through the Minister to issue directives that clarify what is expected of the statutory authority.

Even when we are talking about how chief officers would, in practice, fulfil that obligation, I thought it was worth pointing out that it is not as simple a reporting line or relationship as with a direct report. The governing structure is a bit more indirect for our SAGCs by design, for better or worse.

Mr. Christopher S. Saunders: Okay, well I will ask you, in a roundabout way, the same question I asked the Governor: What does it take for a chief officer or a senior civil servant to be fired; not paid out—fired?

Hon. Gloria McField-Nixon, Acting Deputy Governor: The provisions for dismissing a chief officer are identical to the provisions for dismissing any other member of staff. If the issue is one of gross misconduct, there is the process that every human being is

entitled to, where allegations are put to them, which includes whatever evidence has been collected. The opportunity is given to them to respond and the response is considered to which a decision is made. They have the right to appeal if they are aggrieved with the decision and, subject to the outcome of that appeal (if there is an appeal), the decision proceeds, or there may be some sort of settlement because there is a concern about the soundness of the decision. That is the same disciplinary process that is at play for any other member of staff.

Now, if it is not gross misconduct, there are warnings or starting off with informal conversations to say I am concerned about, for example, a performance issue, but that will escalate if it is not responded to, in formal ways that lead right up to, ultimately, dismissal, if performance is not corrected.

What I would say is that, often times, the issues that can present themselves for people who are in the most senior leadership roles are not hard infractions, but sometimes there is a different yardstick for persons that are in the positions that sit directly beside official members and ministers, in addition to the hard infractions that any other staff member might have. For a chief officer there is also a requirement that they be able to maintain the confidence and relationship of their minister, which is absolutely integral to our process of being able to run a ministry or portfolio; an added layer that the rank and file civil servant would not have to contend with. But otherwise, the chief officer has everything rank and file and then some.

The Chairman: Should it not be sufficient that a chief officer acted in a way, in trying to dismiss somebody that cost the Government millions of dollars in settlement? Should that not be sufficient for dismissal?

Hon. Gloria McField-Nixon, Acting Deputy Governor: So, I get back to the point, but I can tell you that historically we have had cases that have gone all the way to the Privy Council with persons that were no longer within our civil service but were chief officers at the time. If we hold our staff to the position that, if any employment decision that you take should be overturned and result in a settlement and that is going to be the basis upon which your employment continues or is discontinued, then I would say that it would have an even greater chilling effect on our ability to encourage managers to hold people accountable. There is any number of issues that could go wrong, indeed, for dismissals or non-renewal of contracts.

We have had, I would say, probably, a significant number of ministries and portfolios and independent offices that have had rulings which suggested that there should be some compensation because of a procedural issue. Most times, it is borne out that the decision itself was sound, but a procedure may have been skipped and so some compensation is offered

for that. But the tribunal looking at it is very sympathetic to what the organisation had to face because, as you will see, there are a minute number of cases that actually get to an actual dismissal and we are encouraging people to have these difficult conversations and take action.

I would not say it is adequate to say that someone should be fired because they made a decision that got overturned at court.

The Chairman: I am not talking about decisions that make it to court. I am talking about decisions that are settled, with a gag order, with millions of dollars reportedly which we have no way of knowing what it was and why it was settled, because it was settled with a gag order and the famous non-disclosure clauses.

I am not questioning where the person is actually fired and they did not go for a judicial review and the court overturns the decision. My question is to when a chief officer tries to terminate somebody, particularly, if the problem is procedural, that is even worse because they, at the very least, should know what the procedure is to terminate somebody.

Mr. Christopher S. Saunders: Okay, I realise that we have kind of gotten a little bit off-topic but, this line of questioning is important as to the part of proper workforce planning, especially where employees are concerned. The reason why I am raising this, I think I discussed it with you once already, in passing.

When we have a government retirement age of 65 and have chief officers pretty much in their early 40s that are 20 years' worth of seniority that possibly blocks a lot of young talent coming up.

Since I have been elected, there has been one chief officer mysteriously taking early retirement after showing up at the PAC, shortly thereafter. And, there was one that, slice and dice it any way you want, got a demotion to go to another statutory authority. When we look at the power and responsibilities—

[Inaudible interjection]

Mr. Christopher S. Saunders: —that has been vested into the chief officers . . . Ultimately, they report to the Deputy Governor and what we are looking for, is that, if we want to retain talent within government, people need to know that there is some level of mobility. The last thing we want is a person with 10, 15, 20 years of job security at the most senior level, and a young person coming up and saying, *I am looking in that area. That job is packed off; this person ain't going anywhere anytime soon. I am taking my talent elsewhere.* People, at the end of the day, still need some ability to grow in their field; thus the reason I say to you that, if you are going to give someone 10, 15,

20 years of job security, they need to literally be walking on water for a very long time.

That is one of the reasons why we will continue to hold people, because, in essence, they are blocking progress. As you said, they are passengers on the bus and, at some point some of those passengers need to get off the bus.

The Chairman: Yep!

Hon. Gloria McField-Nixon, Acting Deputy Governor: Mr. Chairman, a couple of points there:

There was a time when our promotions were predicated heavily on how long you had been in the civil service, okay? And that meant that the demographics, in terms of the age of the person that got promoted, was perhaps more suitable to people being within reasonable sight of retirement. I can tell you that there was no one, on either side of the aisle or anywhere in the civil service that advocated that that was a model we should continue.

Now, the average age of our chief officer group now is approximately 48 years, okay? I am not going to tell you which side of the equation I sit on but . . .

[Inaudible interjection]

Hon. Gloria McField-Nixon, Acting Deputy Governor: You are right, that does bring with it certain challenges. Whatever ministry you sit in, whatever independent office you sit in, it is a demanding job. It is not a 9 to 5 role. You don't ever go to the supermarket in your off-duty, okay? And so, whether this is something that someone is going to do for 20 years it remains to be seen. We have had some individuals in the past, who have managed to be at the highest levels for many decades and retired upon reaching the statutory retirement age and will tell you that they still had gas in their tank and were ready to do another 10. Most evenings, by the time I get home 65 seems very doubtful.

I say all of that to say that, when we were looking at raising the retirement age, the policy was put in place at the same time, because we knew that we needed to continue to make way for new ways of thinking within the organisation, while balancing the commitment that individuals have had to the organisation and their ability to continue to be productive members; not passengers, but productive members within our organisation. And so, when we raised the retirement age, there were amendments to the Public Service Management Law that also allowed individuals to step out of leadership positions instigated by the head of the civil service, who had the ability, in order to facilitate succession planning, to move someone out of a leadership position, but preserving their salary. But this is not something that could be done for

disciplinary reasons. This had to be done genuinely for succession planning reasons and there is the ability for persons to instigate on their own that *I would like to be able to take phased retirement, where I am going to preserve my right to both pull a pension while pulling my salary, but I will take a lower paid position.*

That is the way that we balanced being able to introduce a higher retirement age within the civil service, while also facilitating the type of mobility that would allow new eyes on sometimes old problems, and as a way of ensuring that people still felt optimistic about their future within the civil service, and that we could continue to fuel innovation and bring vim and vigour to these leadership positions which, I assure you, are very demanding.

Mr. Christopher S. Saunders: Thank you very much. Just a quick question and I am winding down my questions now.

On page 9 of the annual HR report, I noticed that within "Education", 35 per cent of the employees are above the age of 50. The Police Service has 28 per cent above the age of 50 and above, the Prison Service is roughly 1/3 above the age of 50 and Public Works is 44 per cent above the age of 50. From a succession planning standpoint, one of the things I am concerned about is: What are the steps that will be taken, especially in those departments, to start recruiting and training talent?

Now, a couple weeks ago I sent the Commissioner of Police a message I came across regarding a Caribbean island where a Police Academy was built within the University, that taught law enforcement courses, where those guys literally came out with degrees. And when I look at the issue of the police and prison, particularly to law enforcement areas, and also, even looking at the CAYS [Children and Youth Services] Foundation that deals with rehabilitation and so forth, would it not be suitable for the Government to start looking at some of these specialised programs to start training and developing future talent from that standpoint? That is one of the things that I am looking at.

The next issue, which would be my final question provided there is no follow up, is regarding remuneration. When we look at the new batches of civil servants coming up, most of them, I think, the pension is at 12 per cent—is that what it is? It basically means that, for every eight and a half years that they work, they literally would have accumulated one year's salary, before any investments or anything.

If a person spends about 40 years within the civil service, in essence they would have accumulated roughly five years' worth of salary. If it is invested, they may even get 10 years. If persons at age 65 are being retired, their pension under this new system, the most they may have is, maybe, money up to 75 [years of age]. What I am trying to get at is that the Govern-

ment is now taking up the same problem that the private sector has, in terms of retiring people. You noted this in your report when you said that "In September 2016, the public service raised the normal retirement age for the Civil service to age 65, aligned with the increase that was adopted for the Private Sector." [UNVERIFIED QUOTE] Within the private sector there is no set retirement age; what we have is an age at which you stop paying pension. My issue is that looking forward and looking down the road is now we have people living longer and, if they are being retired at 65, and the most they may have now is pension lasting up to say, age 70 to 72, and they are living 10 years past that, what are you guys looking at in terms of setting a compensation model to not create a social welfare in the future?

Hon. Gloria McField-Nixon, Acting Deputy Governor: Thank you. Through you, Mr. Chairman:

There are a number of assumptions in that question that do not quite hold out in our scenario, if I could elaborate. Whereas, under the private sector, the accumulated sum that you have spoken to that would determine essentially, how long a person have a pension because of how much they have put into it, our Defined Contribution Pension Scheme, in which the vast majority, over 80 per cent of our Public Service are active participants, is an annuity. If you live to be 120, you will continue to receive a pension.

There are certain assumptions made, that most of us in this room will not live to be 120 but, if one of us manages to do so, the annuity that is created at the time that you retire is not exhausted when you turn 80—okay? There are assumptions and calculations that are made and it is for that individual's lifetime and that is an actuarial assessment based upon the mortality rates and any number of other factors that are at play. So, that does not happen.

The other thing I would like to say is—

Mr. Christopher S. Saunders: Sorry, before you move from that, no. There are two types of pensions. You have Defined Benefit and Defined Contribution. The defined benefit is the one that you are talking about where that one continues on. Defined contribution is whatever you put in is what you take out.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Again, I think it is very important that this point is understood. Our Defined Contribution, the calculation for the annuity is based upon what you put in, unlike a defined benefit, but both crystallise as an annuity upon retirement—okay? So that is the first point.

The second point is: since we raised the retirement age within the civil service, the vast majority of people who were shut out at age 60, from being able to contribute, have gone back into contributions, and a significant number of people have elected (alt-

though they have the ability to leave at age 60) to continue to work longer and save more, so that the amount that the annuity would be based upon, has an ability to grow. So, raising the retirement age has manifested into the benefits that we sought, where people have stopped pulling their pensions in order to go back into contributing to their pension plans (for existing staff); and people have been inclined to work longer as a result of having the opportunity to do so by going to age 65. There are still some persons who work beyond age 65, as our Law allows, but their existing contract, the one that would allow them to continue contributing to the plan, that matures and expires and it would require them being offered a new contract to work beyond 65.

We are seeing people working longer in the organisation than they were before age 60, and they are getting the benefit of that, that is reflected in their pensions upon retiring. But, even though the calculation is based upon what their accumulated sum is, both by direct contribution, and the performance of the investments on their plan, it still gets converted into an annuity for that individual. I just wanted to clarify that point.

I can also say that, in terms of what are the other ways that we are trying to make sure that people are able to live in dignity upon retirement, a lot of this, particularly for people who are on a Defined Contribution Plan but also for Defined Benefit, it is going to be predicated on the salary which is drawing the pension contribution to begin with. And we have had, both in 2015 and again this year, cost of living adjustments, and we have had honorariums, which did not attract the pension, but we also had the pay stagnation remedy implemented a year and a half ago, which allowed persons to increase their base because their performance and tenure within the organisation were factored into the increments that were awarded to them; all of which impacts how they are making contributions towards pension.

To your point about pay, a number of matters have been addressed from structural pay, in addition to increasing the retirement age, in addition to allowing people (for the first time ever) who had retired out of the plan, to actually suspend taking their pension in order to re-enter the plan as contributors. All of these things have been done in order to facilitate people being ultimately ready for retirement when they either, elect, or reach the new normal retirement age.

Mr. Christopher S. Saunders: The benefits—and I am speaking from being a former civil servant myself—of joining the service were the health care that you get upon retirement and a much better pension plan.

The private sector's pension plan of 10 per cent is an insufficient amount to maintain someone's salary, plus factor in their mortality rate. The Govern-

ment has up that by 12 per cent; the same problem that the private sector had, government has now imported in with the Defined Contribution plan. This is not an opinion, it is a fact.

When we look at your report, 28 per cent of the civil servants made between \$40,000 and \$50,000, but there are still roughly 51 per cent, that made below \$50,000 per year when factoring in everything. When going into a defined contribution plan and taking 12 per cent of what it is that is being put into a pension, under that plan, what a person puts in, is what they take out, not the other way around. That is that.

If you are lucky enough to get a good investment that even doubles your money, that is fine; but the reality is that, as soon as people reach the age of roughly 75 . . . and we may not have this problem now, but this is a future problem that we have across the entire Cayman Islands and it is even worst in the private sector because, what we have found, is that the civil servants are now subsidising the private sector retirees through CINICO. This is a serious problem and yes, I understand that the Government made the decision back then because the measures and things were tight, but this is a situation where we are kicking the can down the road.

The reason I raised it, one of the attractions the Government had, being with the medical and a better pension than the private sector, attracted better talent. Now, if you want to go and pretty much offer a pension which is 2 per cent more than what the private sector is offering, the ability to attract and retain talent means competing a little bit more.

Hon. Gloria McField-Nixon, Acting Deputy Governor: Mr. Chairman through you, and not to belabour the point but, there are a number of structural changes that distinguish the pension offered through the Public Service Pensions Board; not just to public servants, but to members of the Judiciary and Members of Parliament. I think the fact that there is an annuity is a significant distinguishing factor from what happens in the private sector, but the other thing is that there is no cap on the percentage of your salary that you are earning a pension contribution on, whereas, the employer match, so, the 10 per cent you are talking about is capped for the private sector. It does not match all levels of your earning.

The other thing is in terms of the baseline of earnings within the civil service, and I agree, our staff work hard and, you know, we are not the highest paid in the land; I accept that, but we are also not the lowest paid in the land. There is no one within our civil service operating under minimum wage. When we look at that and look at the benefits that we offer, I think that for people who are looking for an organisation they can be a part of over the long term, the civil service has an attractive offer. And, I think that that

may be a part of why we do not see a high percentage of people leaving after those two years because they do realise that this is a part of the proposition of working within the civil service—the value added of our benefits, including our non-contributory health care, although it is limited in our options of health care provider, and the fact that both our pensions are higher in the matching rate of contribution, they are not limited by the salary cap and they are not limited in terms of being a fixed amount that is paid to you and is exhausted. It is calculated to last your lifetime.

I would say that this is a part of our, I think, unique selling points which continues. It is certainly a difference between a defined benefit and defined contribution plan but, even with a defined contribution plan, I still think that the offer within the civil service and the broader public service, as most of our SAGCs; while they may not participate in CINICO, they do participate in our pension program. I think that is something recognised as being value-added and so, even persons who are not compelled to participate in the SAGCs, by and large, do so.

The Chairman: Well, I think we have kept you an hour longer than we promised, and we do not want to make you cancel too many appointments, but I only have one or two questions in terms of succession planning.

There are two sections in the Public Service Management Law—section 26(1)(b) and section 41(4) which, at the very least, inhibit succession planning because the Government requires the position to be advertised—right? And, in regulation, section 25 also requires “to allow proper and effective succession planning.” Are there any plans to amend the two sections of the law and the regulation, which will enable successful succession planning?

Hon. Gloria McField-Nixon, Acting Deputy Governor: Thank you for that, Mr. Chairman. I would like to say that we do listen to the advice that is coming out of this esteemed body through the Legislative Assembly and in our one-on-one discussions when we are able to have them, on performance challenges across the civil service, and how we can operate a more effective employment offer.

The sections that deal with having to notify a vacancy is really meant to fulfil our obligation as a public service; realising this is not a family business but this is the public's funds that we are spending. It is really meant to ensure meritocracy and that persons are not making employment decisions based upon who they know. But, there is acknowledgement that even the law envisions how we notify vacancies, is at the discretion of the appointing officer. So, one of the practical things that we have done since our early engagement with members, when we were talking about HR, has been looking at giving the first opportunity for

senior level positions as internal promotions. So, we have been notifying the positions internal to the civil service for many of our senior positions, rather than going external as our first advertisement.

Now, that has its advantages and disadvantages. A part of the talent plan approach within the UK has been just the opposite, to try to bring in more commercial skills by advertising externally in the first instance. So, we do know that there are pros and cons to that approach. But we have been reflecting further to say that we can ensure meritocracy without having to deal with advertising a position at the tail end. We can still have a competitive process for how someone gets onto a succession plan and then, once the person has been assessed. In some departments, I should say, this is done currently through our promotion board because, for example, the only viable candidates to take up a leadership role to be a senior prison officer, or whatever, would come from within. It is not as if there is another department across government that was going to be able to do that. So, there are some very limited examples now, of how persons are forming promotion panels internally without notifying vacancies, but by and large, the majority of people try to facilitate ensuring meritocracy through advertising.

We are going to look at whether we can provide some comfort to people, that there are other ways to address that obligation and shared commitment that we all have, without having people feel like they have gone through extensive training and are still facing significant uncertainty as to whether they will be offered a position in the end, particularly where the role is one that is very specialised.

We have been doing a lot with succession planning ourselves. We were able to recruit from the private sector an individual into a field that is particularly hard to attract Caymanians to, which is the audit profession. We had investment of the individual within our organisation, and they passed with flying colours a number of additional qualifications that we sought for them to have in the audit profession, as well as undertook, and successfully passed the leadership training that had been set for them. Now, in order to fast-track their deepening understanding of a range of audits, they are on a 15-months' secondment, supported by ourselves, to the Internal Audit Services within the UK. So, some positions do take more hands-on in order to ...

The Chairman: That is the other problem I have with the whole manpower planning.

One of the things I cannot find, and I am not saying it is not there, but I do not find any deliberate recruitment of the top scholars in the Island (for instance) to fill specific roles within government's own manpower requirements; that is, to get back to bonding those people to work in the civil service.

A case in point is [that] a large percentage of the people in the children services are over 50. Where is government, in terms of recruiting some of the bright students to become social workers and offer them 100 per cent scholarships, as opposed to an unrealistic \$20,000 cheque to go to some back of the wall university?

Where is the link between government's manpower requirements and government itself funding the education at a higher level to attract better graduates than what we are getting now?

Hon. Gloria McField-Nixon, Acting Deputy Governor: Mr. Chairman, again, and this is where the numbers in isolation can be misleading. For example, for the Department of Children and Family Services, a part of what drives up their numbers is that this also includes caregivers. So, by and large, persons who are attracted to the caregiving field who work in the homes, whether it is Maple House or those similar homes, there does not tend to be a difficulty in filling those positions, but there are more mature persons who tend to be attracted to those positions. So, they are not all social workers, as an example.

Similarly, there is a discussion about education and a lot of the people who participate in what they refer to as "supply teachers", the substitute teachers as it were, who come in when a teacher or classroom needs to be supported, those again, tend to come primarily from retired teachers. So, these are examples of how there are certain departments whose strategy is a certain reliance upon mature persons to work there and it is not foreseen to be a challenge to getting them; they have been readily available for those purposes.

You are right that for some positions we are going to have to take approaches that are in some cases, going back to what we used to do (to the situation you referred to in terms of attracting the brightest and bonding them). Our current policies do allow us to bond students or employees. I have paid for expensive specialised training for members of my staff and bonded them to work in our department so that we could utilise their services after they attain their qualification. That can happen even within a department. The person who we are grooming for audit services, we fully intend to be able to call upon for audit services. This is a significant investment by ourselves, but knowing that we had to take new approaches to try to ensure Caymanians are able to participate in a managerial level in the profession.

We are seeing new opportunities arise with the establishment of the WORC [Workforce Opportunities and Residency Cayman] Department that will give us, as the largest employer, better insight into the supply of labour and talent that is available and coming through the pipelines. Again, we do not necessarily, at this stage, know exactly what the position will be

called, but we know that there are certain skills that are being acquired by persons who are now in training, that it is better for us to acquire those skills, than it is to try to rely upon developing them internally.

That is particularly true for things like IT. It is much easier to get someone who already thinks that way, to go into these roles. And it is not just about the IT profession; the way that we deliver the majority of our services is increasingly having a digital context to it, so we know that these are skills that are in high demand and, whether they be in the audit profession, HR or Finance, people who are comfortable utilising technology will generally be able to take up key positions more easily.

Those are the types of things that we are looking forward to engaging about with WORC, because we know that our organisation is going to have high demand of those skills and, certainly, we would hope to be able to have an opportunity to bid first for that talent.

Our law already allows us to make appointments of such persons without having to go through an interview or recruitment process. We can make appointments without open competition where it is a returning graduate. We have that facility now, but we need to be able to have better sight and connect the pieces so we can do that.

The Chairman: Any other questions?

Hon. Bernie. A. Bush: Mr. Chairman, through you. I would like to say thank you to the Acting Deputy Governor and to say that to sit here and listen to your answers, and only one of them, I saw you kind of go around the edges, but I do hope the other chief officers will sit here and listen to you and watch you. You do not come here and try to tell us any falsehoods. You do not have to look behind you and you do not walk with an entourage of people to look to for answers. I want to say thank you very much, ma'am, for your forthcoming answers today. I do hope that one day you do not have to tow the company line.

Thank you very much.

The Chairman: Thank you very much for your time Ms. Gloria. I am sorry to keep you late.

Mr. Christopher S. Saunders: Mr. Chairman, sorry. I really want to thank the Acting Deputy Governor. She has always been on point, always well prepared, well informed and a true testament of what it is that we are striving for within the public service. So, I join my colleague from West Bay North. I hope that other chief officers are taking note.

The Chairman: That having been said, we will [suspend] for lunch and be back at 2:00 pm.

Thank you.

Proceedings suspended at 1:24 pm

Proceedings resumed at 2:30 pm

**ADMINISTRATION OF OATH
OR AFFIRMATION**

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: I do solemnly, sincerely and truly declare and affirm that the evidence I shall give this honourable Legislative Assembly shall be the truth, the whole truth and nothing but the truth.

The Chairman: Thank you very much.

The Chairman: Good afternoon Miss Andrea and thank you for finding the time to come.

This afternoon we are dealing with the Workforce Planning and Management in the Cayman Islands Government; the Office of the Auditor General's report dated April 2018. The Committee have some questions for you.

Mr. Saunders?

Mr. Christopher S. Saunders: Thank you.

The Chairman: One minute, sorry; just some house-keeping.

Before you answer the first question, just say your full name and what you represent for the record. Thank you.

Mr. Christopher S. Saunders: Good afternoon and thank you.

Through you, Mr. Chairman: The morning session was quite extensive, so we do not expect to have you here as long. One of the issues that I raised and would like to get a better grip on was the use of consultants. You saw the report where \$34.9 million was spent over a five year period. One of the things that we want to get a grip on is in terms of the training and development of people within the public service, because we expect that over time, the use of consultants would decrease as we upskill and bring more talent within the civil service.

In a nutshell, the question is: What plans do you guys have in terms of training and development and getting civil servants ready in anticipation of future needs?

Thank you.

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: Andrea Fa'amoe, Acting Chief Officer of the Portfolio of the Civil Service.

Mr. Chairman, in terms of our use of consultants, as they pertain to training and development, we do employ different consultants or different training facilitators around the Island—

Mr. Christopher S. Saunders: Sorry, no, no, sorry. Not the use of consultant for training but within the civil service itself, there was a lot of usage of external talent and the question is geared more towards: What are we doing to replace the need for external talent internally? It is not a matter of using consultants for training but, rather, to develop those skills within the civil service as opposed to going outside and getting a vendor to provide those services. Sorry, if my question was not clear.

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: Mr. Chairman, the civil service has been doing intensive training across various disciplines, which should eventually reduce the need for the hiring of consultants. For example, I am part of a group that is currently training for certification on business case writing. I have other colleagues who are doing project management and the like. I would imagine that the need for consultants will decrease as we go along but, of course, there will be the inevitable specialisation that will require overseas, or perhaps external to Government, as those services are not ongoing, or it could be, perhaps, the need is ad hoc and so, there is no need to have somebody on staff fulltime to deal with a particular type of service.

Also, in the civil service over the past few years, we have been hiring individuals that are already well qualified for the post they are coming into. Our hiring practice of taking on even uneducated or just high school-level graduates was reduced due to the moratorium issue (the freeze on hiring in the civil service) so, the need for consultants in very finite areas will continue in the foreseeable future.

Mr. Christopher S. Saunders: What is the process that you guys currently employ to identify the high flyers, the talent, those with really great potential? How do you identify this talent through the civil service to say *You know what, here is a future chief financial officer, here is a future chief officer—anything?*

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: There are several different types of leaders in the civil service. There are those that are there because of their positions and then, there are those that are identified by those individuals in position, as well as some that are identified by their peers and are, sort of, recommended and pushed forward.

We have been doing a lot of work this past year on leadership training and development. We have been having different seminars and conferences and workshops; we have had individuals that were identified by chief officers and HODs and chief HR officers sent overseas to represent or rather, to gain greater insight on leadership activities and leadership

training in Canada. We have been doing a lot of work here in Cayman.

Those that have been taking part in that, were those positional leaders; those that were the recipients of various Chief Officer and Deputy Governor Awards, who, of course, were nominated for those positions and then voted to be the monthly or annual winner. Also individuals who, by their very performance, Chief Officer nominated, or just from their on-the-job performance were recognised as "green shoots"; individuals with a bright future or currently performing at the level and displaying the leadership qualities we recognise.

Hon. Bernie. A. Bush: Mr. Chairman, through you.

Let us say, in a particular department or ministry, there is an European (I will put it that way) who seems to be holding back young Caymanians who are bright, and they are getting awards outside of the establishment, but not on their leader's recommendation. So, you have young Caymanians getting recognised all over the place, but their leader does nothing because, of course, they do not want to go back to the jolly cold country. What do you all do to identify those young Caymanians that are going to be held back by a leader that does not really want to bring them through? How do you all get around that problem? The facts are there, the identification is there, it is all in the public's eye, that the Caymanians are doing a good job but not on one recommendation from their leader who is the head of that department. How do you get around that?

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: Mr. Chairman, there are many ways that an individual can be recognised and if an individual feels that their efforts at promotion are being stymied by their immediate manager, supervisor or chief officer, they do have the wherewithal to, perhaps, seek alternative employment within the civil service. You no longer need your supervisor's sign-off or approval to change jobs and, even if they do not want to change their respective field, if I am an HR professional and want to—

Hon. Bernie. A. Bush: One second. They may be qualified in one field. If you are a doctor, you cannot go over and be a fireman, so . . .

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: Mr. Chairman, I completely understand that, so what I was getting at was that if I am an HR professional or if I am a doctor in a particular unit at the hospital . . . well, it would not be the hospital, but let's just say I am an HR professional working in one ministry or department and I feel like there is no room for me to move upwards, jobs/postings are advertised. They have to be open to

recruitment, if not externally, to the civil service, postings will be promoted internally and individuals can apply to move over. There is also the opportunity—and I know this is a fact because in the Portfolio of the Civil Service we have had individuals who were (for lack of a better word) 'unhappy' with their current post doing their current job. They were able to work out a secondment and transfer in. Some people have remained there while other people have moved on and just made themselves known to other leaders across the organisation that will essentially recognise their capabilities.

Hon. Bernie. A. Bush: Okay.

Before you came here today, we had the Acting Deputy Governor. She said something that was good to hear—that longevity did not necessarily mean . . . like in the past, that was how you got promoted and so forth. But when we hear other people speak about the one or two people who have made themselves shine and gotten results in spite of everybody else failing, to say *Oh they are young, they are young*. Are you on the same page with the Acting Deputy Governor that age has nothing to do with it? We know being Caymanian can be a hindrance but, put that aside. With all those other things in place, will you all identify and help those people? Is that what you are telling us? They are qualified, they are getting results, attitude is good and they are not missing work, all the things that you want to tick off the boxes. Those types of people that are go-getters and the green branches or whatever you called them; are they the persons identified and put forward? Is that is what you are saying?

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: The civil service is a very diverse organisation and we are—

Hon. Bernie. A. Bush: It is a simple yes or no. Are those the people you are looking for?

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: If they are known, yes we will do our job.

Hon. Bernie. A. Bush: Thank you. That is all I need, ma'am. We know what the civil service is all about. I was one for 20 years; he was one, so we all know. So, thank you very much, ma'am.

Mr. Austin O. Harris, Jr.: Mr. Chairman.

[Inaudible interjection]

The Chairman: Thank you, Mr. Chairman, through you.

First of all, thank you, Mrs. Fa'amoe. It is nice to have you with us and thanks for taking some time. I trust that you have a copy of the Auditor General's report on Workforce Management in the Cayman Islands? Alright, I am going to draw some reference to it. The questions I am going to ask relate to pages 1, 3 and 9 of the Executive Summary. Looking at page 1, I think it is the fourth paragraph, it reads: **"In May 2017, a new Government was formed as a result of the general election. In August 2017, it set out its ambitious and strategic outcomes . . ."**

Strategic goal number 8, which is not contained in the Auditor General's report but was, in fact, included in the Strategic Policy Statement which was delivered in this House on the 23rd August calls on the Government to "recognise our responsibility to ensure effective Governance through stable, effective and accountable Government." On the Auditor General's Report, page 1, it says: "Both the Government's strategic plan and the strategic outcomes set out in the SPS depend on staff or people to deliver them." This, therefore, requires government managers (page 3, second paragraph) to have **"robust analysis of anticipated staff numbers . . ."** (or, in other words, having the right people and the sufficient resources to do the job as well) **" . . . and skills required to deliver the services . . ."** In other words, they received the proper training and are capable at performing the tasks set to them.

Another vital responsibility for government managers, which is equally important, can be found on page 9 bullet point 8, which is clear and competitive pay strategies. Page 9, paragraph 8 says that: **"In 2016, government salaries ranged from \$18,492 to \$186,696. However, the majority of the civil servants were paid at the lower end of the salary range, with 70 per cent of staff earning less than \$50,000 a year."** Now, this was pointed out as a deficiency and was found in the first recommendation made by the Auditor general Office on page 43, whereby they identified a need to develop a workforce management plan. The management of the Portfolio of the Civil Service, in their management response, stated that they would move forward to action this Auditor General's recommendation through their five-year strategic plan. We see that that five year strategic plan, which runs from 2018-2022, commenced on January of this year.

I wonder therefore, Mr. Chairman, if the Acting Chief Officer can outline what specific progress has been made during the last 10-months of this year in relation to developing workforce planning framework to clarifying roles and responsibilities which includes succession planning that we have heard here today, is something that has been weak in delivering; as well as the pay scale harmonisation which would, otherwise lend itself to staff retention. If you can speak to what progress has been made in these key areas,

again, identified by the Auditor General's report, during the last 10-months.

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: Mr. Chairman, the Office of the Deputy Governor, which the Acting DG may have spoken or drawn reference to, as well as the SRI [Strategic Reforms Implementation] Unit, both a part of the Portfolio, produced a position statement but, in terms of readiness assessment, that has not yet been ready and it is anticipated that that readiness report will be available by the end of this year. At this time, I think I should say that the five-year strategic plan has many components, as you are well aware. For this year so far, the majority of our work has been on leadership development and on customer service enhancement. So, there is not a lot I am able to say about that, at this time. I can take it as a personal plan to get some more information and find out exactly where they are now with this process development, but I do know that it is not expected to be ready until the end of the year.

Mr. Austin O. Harris, Jr.: Thank you for that answer and, whilst not necessarily criticising you personally, you can appreciate the somewhat disappointment that I may have in that, what tends to happen is: the Auditor General does a report; they go through rather detailed and comprehensive recommendations for which there is a management response—basically a recommitment that *we acknowledge the deficiencies which you have identified, and pledge ourselves to addressing them in due course, and setting out a time scale.* Whilst not to minimise leadership development and the importance of customer service, those two things fell rather far down on the list of identified priorities as addressed by the Auditor General's [Office] when gaps were identified in the civil service and workforce planning.

The key priorities, again, as identified by the Auditor General's report were:

- workforce planning;
- clarifying roles and responsibilities—in other words, persons understanding the jobs that they have and why it is important, receiving the proper training so that they can get it done; and
- the major issue of staff retention.

We heard earlier on in the HR report, some 500- plus civil servants left the service for a variety of reasons but, presumably, pay scale and lack of knowledge of what their jobs were, were among the majority of the reasons why.

Therefore I ask, again, whilst we have a five-year window to complete and develop a strategic workforce plan, why do we opt for the lower scale priorities instead of starting with the key priorities which

have been identified as the reasons for inefficiencies, duplications and, in some cases, expanded cost?

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: Mr. Chairman, we have just conducted our second engagement survey of staff and there were a number of areas of concerns that were highlighted from the first survey. Among those were issues with management and leadership, and therefore, that is part of the reason why we, as an entity, decided to focus on that.

Absolutely, the pay issue was of major concern, but when the entire engagement survey was analysed, while everyone wanted or desired to be better compensated for the work they did, it was not the overriding factor for civil servants. People do not typically join the civil service to make a lot of money. There are other factors at play. Of course, we all want to be properly compensated and we all want to have a good life and enjoy ourselves, but, overriding, the issues that were of greater concern to civil servants were issues with lack of communication. They felt they did not know what was going on in the civil service; they had to go online to a blog or pick up a newspaper to see what was happening; and they felt leadership was lacking in certain key areas. Compensation definitely was an issue, but it was not found to be the overriding issue.

Mr. Austin O. Harris, Jr.: Thank you, Acting Chief Officer.

Whilst I believe it is important to conduct exit surveys on persons who are leaving the civil service, the purpose of the Auditor General's report was to identify gaps and make recommendations, therefore, whilst it may be a concern of lack of leadership for those who are departing the service, it does not address the key areas of focus outlined in the Auditor General's report, which brings us here today.

Paragraphs 29 and 35 state that the civil service does not have an overarching workforce plan that sets out information on its current workforce, or what that workforce should look like in the future, in order to successfully deliver government objectives and deliver quality services. We do not know where we are going. In some cases, we do not know where we come from, hence the reason why we keep making some of the same mistakes over and over again. These are the points that the Auditor General is drawing attention to but, we are focusing on leadership development and customer service.

The Auditor General goes on to say that there is no corporate approach to workforce planning. Some departments have started to think about workforce planning for the medium term, but because there is no standard approach, it is being done inconsistently, and often times on an ad hoc basis. These are the reasons why the five year strategic plan was initiated

in January 2018 to address these key significant gaps; not to address the gaps as seen from the perspective of departing civil servants.

Mr. Christopher S. Saunders: Thank you, Mr. Chairman. One of the first steps in putting together a workforce development plan is to analyse market data, look at the different data available. I am just curious in terms of what sources, or what information you guys are gathering, in order to develop your implementation plan down the road.

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: Mr. Chairman, there has been a lot of work behind the scenes with members of the Portfolio of the Civil Service and different ministries and departments. This year, we chose to focus on 10 key departments and there has been a lot of consultation between POCS and those departments in terms of what their needs are and how we can better fulfil those needs.

In terms of training and development for workforce planning, the development is being conducted on different levels. Not all training that takes place within the civil service comes from or via the Portfolio of the Civil Service. Each Ministry and Department has their own training budgets as well. Where we get involved is primarily where the effect will be seen across the board. For example, if there is a certain policy being delivered or going to be launched, we will work with the key individuals that are sponsoring that policy. So, for example: there was recently the anti-fraud policy that came out; the Portfolio worked with those individuals and created bespoke training that dealt specifically with the issue for the Cayman Islands Government and launched it across the entire service.

Other development that we do offer is bespoke. For the finance and accounting individual, we received some requests for excel (something as simple as excel for financial individuals). That was offered across the entire service. All CFOs were contacted, and they then provided the names of their team members who required this training.

We have been doing some development training for individuals, from chief officer level and below through UCCI and a different university in the US, to offer them an executive certificate program. We have been creating different cohorts of learning, so like-minded individuals—individuals not only in the same industry, but also potentially at the same level where there can be greater discussion taking place. We have been doing that sort of thing.

Mr. Christopher S. Saunders: I think what we are trying to get to is: doing that to achieve what? And I will explain to you shortly. This is one of the notes that came from the Auditor General that says, "There is no

organisation-wide workforce plan for the civil service. Neither do ministries nor departments have a workforce plan. There is no agreed approach to workforce planning, which means that where it is being considered, it is being done on an ad hoc basis. The approach to workforce planning is largely being driven by funding, and it is rarely linked to a robust analysis of the anticipated staff numbers and skills required to deliver service and outcomes to service providers."

It goes on to say: "The roles and responsibilities for workforce planning are not clear. The civil service has a network of HR professionals across Government (55 in total), however, they tend to focus on operational, rather than strategic activities and have no specific role in workforce planning. There is a scope to develop a functional leadership approach across the Government." [UNVERIFIED QUOTES]

What we are trying to get at is that we recognise the operational issue, but what we are trying to dig more into is the strategic. So for example, at the end of last month, the Ministry of Tourism ended its consultation for its draft tourism plan in terms of what they expect over the next five years. The question in all of this is: what process would you all go through to prepare ministry staff, and people under that Portfolio, to meet what is required from the Ministry of Tourism?

The reason why I raised it is, if you look even within the use of consultants, the overseas advertisement, granted, it was a significant spend; but, if we are going to be spending that much money of millions of dollars each year, then, at some point, the question has got to be asked: Do we want to develop this talent in-house, or is it a situation where we want the talent to remain external? What we are looking for is strategic responses as opposed to more operational stuff. That is what we are trying to get to. Thanks.

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: Mr. Chairman, I completely understand.

One of the things we have also been working on is creating these different advisory groups with the heads of profession and vocational teams. For example, we have been working with the Human Resources team, finance and accounting team, the communications team and procurement team, just to get it started.

In terms of Human Resources, the Chief Officer for the Portfolio of the Civil Service is actually the head of profession for that team and other members will include other chief HR officers; perhaps some operational officers. And for procurement, it is the Director of Procurement and individuals from different ministries and departments that are heavily involved in procurement.

In terms of communications, there is a new Director of Communications that was hired for the civil service. She is considered the Head of Profession and

has compiled a team of other professional communicators across government and they can range from those that work in electronic media to PR and corporate communications or the equivalent.

For finance and accounting, the Accountant General would be the person named as Head of Profession and other members on that team would be CFOS and deputy CFOs and other individuals in line. What we want to do with those teams in the portfolio of the civil service, is for them, as the professional experts in their area, to identify the needs, the commonalities, the deficiencies, so we can then start working to satisfy the demand, or to fill any gaps with training.

That process is heavily underway with communications, I know the Communications Director has been meeting quite frequently with the members of her team, to see what the gaps are and to identify training that is required at each level, so that if a new comer, a young individual or, perhaps, someone new to that field, if they start off at the bottom or if they want to get into that field, they will see what skills and qualifications are required along the way. The same thing will be done for each industry if you like, in the civil service, each profession.

Mr. Christopher S. Saunders: Thank you, Mrs. Fa'amoe, I like that response.

The reason I asked that question was because Miss Gloria is a person that I have a lot of confidence in, in terms of what she is doing with the Portfolio of the Civil Service, and what I wanted to make sure of, is that you are all on the same page in terms of what still needs to be done.

Now, one of the things that ultimately and eventually we definitely will be revisiting next year, God's willing, is the strategic direction. There still seems to be a lot of operational issues being focused on and the whole idea behind workforce planning is to anticipate what it is going to be like in the future. So, it is not just a matter of outing the fires today, but the fires that we are going to be seeing coming tomorrow and that is, ultimately, the message that we want for you and your team to take away from this session, is to start looking futuristic.

We have spent too much time looking backwards and we spend too much time looking at today. I say all of this to say that, last year during the budget process, we raised the issue with DEH and the amount of money allocated; and I remembered it, because they literally had to stop and could not answer the question. They had to pause, meet in the back room and then go through all of these numbers with me, and the same issue that we raised then, was exactly what turns out to be the challenge that DEH has today. So, this is stuff that we saw coming, and we feel more comfortable when we see the people who are charged with these day-to-day type of function

being on the same page. That is really what we are looking for, not just today, but into the future.

An example, the police is one department that is still majority non-Caymanian. The question is: What is being done to address that? Because I can tell you, come 2021, this is something that is going to be an issue. If we look at the prison, it is the same issue. If we look at the Department of Education we will see the same thing. Now, HSA may take a little bit more time, in terms of the number of medical professionals, because of how long it takes to train a doctor, but in terms of putting a Caymanian in a police or prison uniform is not rocket science. The question is: what is being done now in order to start getting more persons Caymanised? If we look at the numbers themselves, the ratio and even the growth of Caymanians, have been more on the non-Caymanian side than the Caymanian side, and this is a trend that really cannot continue.

You may not have the answer today and that is fine, but what we want to make sure is that you leave here today at least knowing, that come next year, when we get the next HR report, we expect to see the numbers at least trending differently. But you cannot have 178 staff [personnel] of which only 70 are Caymanian and 108 are non-Caymanian over an 18-month period. That is unsustainable and that is what we are really looking for.

If we look at the problems at DEH, it is the same issue. We could have seen it coming and if we look at the numbers, there were 14 leavers at DEH over the last 18-month period, if my memory serves me right. So, 14 people leaving over the last 18 months, if you replaced them with people who cannot get the job done, I do not know, but these are the kinds of issues that we need to make sure they are being focused on.

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: Mr. Chairman, I appreciate that answer. While in the Portfolio of the Civil Service, we may not have been focusing on the roles as in RCIPS or in DEH, for this past year we have been heavily focused more on the professional side of things in terms of the accounting, the HR, the procurement, communications and the like.

Mr. Christopher S. Saunders: I want to expand on where disconnect comes from: if we look at, for example, the balance score card of the four quadrants, there's financial performance; internal processes; ability to come up with new products; and customer service. From where we sit, as elected representatives is on the customer service side. So, even if we weigh those quadrants, the internal processes are good, but ultimately, it is the output and that is the reason why the Auditor General has raised this in the past, and rightfully so, that we need to move the budget from

output to outcome-focused. Because, right now, there is not enough emphasis on outcome and what we are trying to change is that mind-set. We are trying to change that culture which focuses more on the outcome, as opposed to the output.

The staff surveys are fine. I can tell you up-front which department is performing and which is not. I can tell you, based on the leavers, which one has good managers and which one does not, but the bigger issue that we have, which was addressed earlier, is the turnover among senior civil servants. Basically, not enough of them are being turned over, irrespective of what the organisation looks like. Based on some of these numbers, some people should have been let go a long time ago, but for whatever reason, they are the ones who stay and, as Miss Gloria rightfully said, "People do not leave organisations, they leave managers."

As long as those managers remain, you will have 542 people leave over an 18-month period. Granted, some of them have different reasons, but 15 per cent turnover rate over an 18-month period is quite high, especially, if these are people that we have already invested money into in terms of training and development and they go elsewhere because there is a bad manager. Thus the reason why we said, in terms of doing exit interviews we want those done independently from the department, because the same bad manager will sit down there and control the narrative of what the employee is saying on the way out.

What we also wanted to focus on, and we think will make a big difference going forward, is the overall governance structure. The Law is very clear in terms of the duties and responsibilities of the head of the civil service which is where POCs falls under. What we are looking for now is more teeth and accountability in that side going forward because, as you can see, there are 70 entities in the HR report, but there is only one department here answering all the questions. So, ultimately, if you guys will be the one that is facing the firing line, then the other 69 need to recognise that you need the answers, because you are the ones who have to take the questions.

Hon. Bernie. A. Bush: Mr. Chairman, through you.

I have been asked on numerous occasions (too many to count) about the Civil Service Training School, or whatever you call it.

It was discussed here in Parliament the last term, and it is in the Hansards. The questions I asked were very simple. We get someone to come from overseas on a contract; the Caymanians are working below them; the Caymanians are going to the civil service school to get themselves qualified to move up, but at the same time, the person who is on a contract also goes to the civil service school and moves the bar a little further than us, the Caymanians can't get. It

is bad enough that that is in place and no one seems to want to address that, but now, I am having people in the authorities asking why it is that they cannot take part in the civil service school and why it is that they cannot benefit. They are still civil servants and still Caymanians. Can this be looked into, because at the end of the day, it is our people, it is our money? The least we can do is invest in our own people. Can that please be looked into? This is what I have been told by at least three different authorities: *"Mr. Bush, I want to go to the civil service school but they say we are an authority and we cannot go to it, we cannot attend, we cannot benefit from it."*

Maybe it is something that you all should look into because, like I said, at the end of the day, these are Caymanians and you cannot put a price on education for our own.

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: Mr. Chairman, the Civil Service College offers a number of different training opportunities for all civil servants. For public servants, these are individuals in the authorities. We have only been able to have some made available, because of cost. It is simply an issue of dollars and cents.

In recent times, the public authorities, at least the senior leaders, have been invited to participate in our leadership conferences. Over the past month and, for another couple of weeks, they, throughout the ranks, have been invited to participate in training that is taking place in the Cayman Islands, offered by the Caribbean Development Bank. While we did not have to pay for the facilitators, we are housing them, we are providing meals for them every day and, because of the timing, and the types of courses that were available, we opened it up to the authorities.

The complaint, Mr. Bush, shared with us, I too have heard, and it is predominantly from Caymanians that work in the public sector that want to earn their Associate Degrees in Public Administration. This is a program that we have contracted out (if you like) to UCCI and, because of the costs involved and the size of our budget for our core civil servants, we found it impossible to continue to offer it to individuals in the public authorities.

In some authorities, I have explained that they can take it, but perhaps their employer can subsidise the cost or, if they have proven to be good students working fulltime and Caymanians, there are scholarship opportunities for them. It is not necessary for them to just attend on free of cost, through the civil service. We frankly just cannot afford it. Since I have been in the Portfolio of the Civil Service, the budget, with the exception of this past year, has decreased for training. We had to focus solely on our core civil servants in this program, as it was felt that the authorities had their own training budget and their own means of taking care of their teams.

The Chairman: Ms. Andrea, thank you very much. It seems like they have exhausted their questions so you get your get-out-of-jail free card. Thank you very much for taking the time to come. We appreciate it and appreciate your frank answers.

Thank you very much.

Mrs. Andrea Fa'amoe, Acting Chief Officer, Portfolio of the Civil Service: Thank you.

The Chairman: The Meeting is adjourned until 10 o'clock tomorrow, when we will be dealing with the Financial Secretary as Chief Officer.

At 3:15 pm the Public Accounts Committee Meeting adjourned.

