

CAYMAN ISLANDS

2012/2013 Session of the

LEGISLATIVE ASSEMBLY

REPORT

of the

STANDING

PUBLIC ACCOUNTS COMMITTEE

on the Special Report of the Auditor General

on the Review of Expenditure for

Operations Tempura and Cealt

Summary Report

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**REPORT OF THE STANDING
PUBLIC ACCOUNTS COMMITTEE
ON THE SPECIAL REPORT OF THE AUDITOR GENERAL
ON THE REVIEW OF EXPENDITURE FOR OPERATIONS
TEMPURA AND CEALT**

SUMMARY REPORT

1. REFERENCE

The Standing Public Accounts Committee of the Cayman Islands Legislative Assembly, established under Standing Order 77, met to consider the Special Report of the Auditor General on the Review of Expenditures for Operations Tempura and Cealt as prepared and submitted by the Auditor General.

2. PAPER CONSIDERED

In accordance with the provision of Standing Order 77(1), the Committee considered the following paper referred to it by the House:

- Special Report of the Auditor General on the Review of Expenditures for Operations Tempura and Cealt

3. CHAIRMAN AND MEMBERS OF THE COMMITTEE

The following Members of the Legislative Assembly are the Members of the Standing Public Accounts Committee who dealt with this Report of the Auditor General—

Mr. D Ezzard Miller, JP, MLA - Chairman

Hon Cline A Glidden, Jr., MLA

Mr. Ellio A Solomon, MLA

Mr. Dwayne S Seymour, MLA

Mr Moses I Kirkconnell, JP, MLA

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

Mr Moses I Kirkconnell, JP MLA - Chairman

Hon Cline A Glidden, Jr., MLA

Mr. D Kurt Tibbetts, OBE, JP, MLA

Mr. Ellio A Solomon, MLA

Mr. Dwayne S Seymour, MLA

4. MEETINGS OF THE COMMITTEE

The Committee reviewed the Minutes of four (4) meetings held by the Committee, to consider this Report:

- (i) Tuesday 10th November 2009
- (ii) Wednesday 25th November 2009
- (iii) Wednesday 13 June 2012
- (iv) Wednesday 11 July 2012

5. ATTENDANCE OF MEMBERS

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

6. PERSONS IN ATTENDANCE

In accordance with Standing Order 77(8), the following persons were in attendance at the meeting:

Mr. Dan Duguay, Auditor General

Mr. Martin Rubin – Manager Audit Office

Mrs. Sonia McLaughlin – Chief Officer/ Ministry of Finance

Mrs. Debra Welcome – Accountant General

Mrs. Gloria Myles – Deputy Accountant General

7. WITNESSES CALLED BEFORE THE COMMITTEE

In accordance with the provisions of Standing Order 77(4), the Committee may invite Controlling Officers and support staff to give information or explanation to assist the Committee in the performance of its duties. The Committee agreed that the following person would be called to give evidence:

Mr. Stuart Jack – HE The Governor
Mr. Donovan Ebanks – Deputy Governor
Mr. David Baines – Commissioner of Police
Mr. George McCarthy – former Chief Secretary

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) that its meetings, at which Controlling Officers are invited to provide information, should be held in an open forum. This decision was taken to promote openness and accountability in Government.

9. INTRODUCTION & PAC COMMENTS

9.01 The Auditor General's Special Report focused on a value-for-money review of special police investigations known as Operations Tempura and Cealt which was administered by a Strategic Oversight Group. The Committee concurs with the conclusion of the Auditor General where he found that there were significant deficiencies in the administrative management of the police investigation projects Operations Tempura and Cealt and the accounting for their related costs. The Committee agrees that there were inadequate oversight and project management processes in place to ensure appropriate management of contracts, proper expenditure monitoring, reporting of expenditures to the Cabinet and providing the means to ensure due regard for value-for-money in the acquisition of resources.

9.02 The Committee agrees that project oversight committees for projects such as Operation Tempura should have clear terms of reference related to ensuring proper cost management and due regard for value-for-money. The Committee also agrees with the Auditor General's Recommendations that the Government settle their accounts as promptly as possible and determine the billable amount for

the period April 2008 to January 2009 in order to provide accurate costing information to the Legislative Assembly for future funding request.

9.03 The Committee noted that HE The Governor Mr Stuart Jack had been invited to attend before the Public Accounts Committee on 25 November 2011, as it was understood that there was a report from the Governor's Office on Operations Tempura and Cealt that had not been released and the Committee wished to obtain all relevant information during its deliberations.

ACKNOWLEDGEMENT

The Committee is most appreciative of the efforts of the Auditor General and his staff in presenting a very fair, detailed and informative Report on the Review of Expenditures for Operations Tempura and Cealt and for the support, assistance and constructive advice given throughout its deliberations.

The Committee would also wish to thank 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 Special Report of the Auditor General on the Review of Expenditures for Operations Tempura and Cealt.

Mr. Moses I Kirkconnell, JP, MLA - Chairman

Hon Cline A Glidden, Jr, MLA, Member

Mr D Kurt Tibbetts, OBE, JP, MLA, Member

(DEFICIT) BEFORE FINANCING	(0.511)	(6.923)	(3.131)	(44.821)	(93.01)
FINANCED BY					
Local Loan	12.000	12.000	10.866	49.607	
External Loan	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.097</u>	
SURPLUS FOR THE YEAR BEFORE TRANSFERS TO RESERVES	11.489	5.077	7.735	4.883	
NET TRANSFER (TO)/FROM GENERAL RESERVE	<u>0.000</u>	<u>0.000</u>	<u>(1.500)</u>	<u>6.900</u>	
SURPLUS FOR THE YEAR	11.489	5.077	6.235	11.783	
CASH MOVEMENTS BELOW THE LINE					
(Increase) in Imprests			(0.369)	(0.047)	
(Decrease)/Increase in Deposits			(3.954)	2.407	
(Increase) in Advances			(1.445)	(1.445)	
NET CASH FLOW FOR THE YEAR			0.467	12.698	
CASH AND CASH EQUIVALENTS					
Beginning of Year			<u>5.406</u>	<u>(7.292)</u>	
End of Year			<u>5.873</u>	<u>5.406</u>	