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 the Loans and Expenditures

of Funds at Boatswain's Beach

Summary Report

Laid on the Table of Legislative Assembly on this day of 2012

TABLE OF CONTENTS

1. REFERENCE 3
2. PAPER CONSIDERED 3
3. CHAIRMAN AND MEMBERS OF THE COMMITTEE 3
4. MEETINGS OF THE COMMITTEE 4
5. ATTENDANCE OF MEMBERS 4
6. PERSONS IN ATTENDANCE 4
7. WITNESSES CALLED BEFORE THE COMMITTEE 5
8. PRACTICE AND PROCEDURE OF THE COMMITTEE (S.O 77 (6)) 5
9. INTRODUCTION & PAC COMMENTS 5

ACKNOWLEDGEMENT 6

REPORT OF THE COMMITTEE TO THE HOUSE 6

REPORT OF THE STANDING PUBLIC ACCOUNTS COMMITTEE ON THE SPECIAL REPORT OF THE AUDITOR GENERAL ON THE LOANS AND EXPENDITURES OF FUNDS AT BOATSWAIN'S BEACH

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 Loans and Expenditures of Funds at Boatswain's Beach 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 Loans and Expenditures of Funds at Boatswain's Beach.

3. CHAIRMAN AND MEMBERS OF THE COMMITTEE

The following Members of the Legislative Assembly were 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) Thursday 3rd December, 2009

(iv) Wednesday 13th June 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. Garnet Harrison, Deputy 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. Joseph Ebanks – former Managing Director / Boatswain Beach
Mr. Joel Walton – former Chairman of the Board of Directors / Boatswain Beach
Mr Joelle McCrae – HR Manager / Boatswain Beach
Mr. Joseph Parsons – Acting CEO / Boatswain Beach
Mr. Vijay Parabdeen – Chief Financial Controller / Boatswain Beach

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 Report related to the issue of Mr Joseph Ebanks obtaining a number of employee loans while he was Managing Director of Boatswain Beach and the policies of Boatswain Beach relating to salary advances and employee loans.

The Committee endorses the Recommendations of the Auditor General as set out on page 11 of his Report. The Committee noted the comments of the Current Board of Directors in that they are committed to ensuring that the necessary polices and administrative changes are put in place to guarantee that best practices are followed with an emphasis being placed on accountability at all levels of the organisation. The Committee was pleased by the actions of the current Board of Directors in implementing significant policy changes as recommended in the Auditor General's Report including the requirement that all disbursement of funds to employees, other than what is contractually due, must be first approved by the Board of Directors.

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 Loans and Expenditures of Funds at Boatswain's Beach and for the support, assistance and constructive advice given throughout its deliberations.

The Committee also wish to thank the staff of the Legislative Assembly for the assistance provided.

Table 1: Budget Estimate and Outturn for the Year Ended 31 December 2002 - Combined Funds (Except General Reserve)

	Original Estimate 2002 $m	Approved Estimate 2002 $m	Actual 2002 $m	Actual 2001 $m	Increase/ (Decrease) 2002 %
REVENUE					
Local Revenue	340.073	340.073	316.694	287.628	10.11
EXPENDITURE					
Recurrent	269.766	274.237	252.295	259.384	(2.73)
Capital Acquisitions	5.034	5.461	3.064	3.941	(22.25)
Capital Development	15.998	17.512	14.543	22.156	(34.36)
Statutory	49.786	49.786	49.923	46.968	6.29
TOTAL EXPENDITURE	340.584	346.996	319.825	332.449	(3.80)
(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	0.000	0.000	0.000	0.097	
SURPLUS FOR THE YEAR BEFORE TRANSFERS TO RESERVES	**11.489**	**5.077**	**7.735**	**4.883**	
NET TRANSFER (TO)/FROM GENERAL RESERVE	**0.000**	**0.000**	**(1.500)**	**6.900**	
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			[illegible]	[illegible]	