

Follow-up on past PAC recommendations 2022 - Report 2





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EXECUTIVE SUMMARY

The Cayman Islands Government is required (by Section 77(7) of the Parliament Standing Orders (2018 Consolidation)) to formally respond within three months of the Public Accounts Committee (PAC) laying an Auditor General report in the Parliament.

As part of the audit process, the Office of the Auditor General (OAG) routinely follows up on the implementation of the recommendations that we and the PAC have made as a result of performance audit reports and the PAC's hearings on these reports.

The OAG published *Follow-up on past PAC recommendations* reports in July 2017, October 2018, August 2021 and January 2022. The August 2021 report stated that the OAG planned to prepare a series of reports following up on the past PAC recommendations in PAC reports tabled between September 2018 and December 2020.

UPDATE SINCE OUR JANUARY 2022 REPORT

The January 2022 report provided a status update on seven reports that the PAC had tabled in the Parliament between September 2018 and July 2021, for which the Government had not yet tabled Government Minutes. The Government Minutes for these seven PAC reports were late, ranging between two months and 36 months late; four responses were more than two years late.

PAC REPORTS

In December 2021, the PAC tabled reports for *Follow-up on past PAC Recommendations 2021 – Report 1* (August 2021) and *Improving Financial Accountability and Transparency: Financial Management and Reporting* (May 2021). The Government Minutes for the two reports are due in March 2022.

In January 2022, the PAC held hearings on the OAG's report *HSA's Outpatient Pharmacy Services*, which was submitted to the PAC in November 2021. The PAC will prepare its own report in due course.

The OAG published its report *Follow-up on past PAC Recommendations 2022 – Report 1* in January 2022, which provided an update on three previous reports. The PAC considered this report in January and decided that it would not hold any hearings as the OAG had assessed the Government's progress with implementing recommendations in all three reports as Green – significant progress. However, the PAC decided to write to the relevant Chief Officers on those recommendations that the OAG had assessed as Red – no or limited progress – to ask for a further update. The PAC will prepare its own report in due course.

GOVERNMENT MINUTES

The Government has not tabled any Government Minutes in the Parliament since October 2020. Therefore, at the end of January 2022, the Government was late in tabling its formal response for seven PAC reports. The Government Minutes for two PAC reports are not yet due. Exhibit 1 summarises all PAC reports tabled since September 2018 where the Government Minutes is late as of the end of January 2022 or not yet due.

Exhibit 1 – Public Accounts Committee reports tabled and status of the Government Minute as at January 2022

Report of the Standing Public Accounts Committee on the:	Date tabled	Government Minute due	Government Minute tabled	Delay in tabling Government Minute
Follow-up on past PAC Recommendations 2021 – Report 1 (August 2021)	8 Dec 2021	8 Mar 2022	Not yet due	
Improving Financial Accountability and Transparency: Financial Management and Reporting (May 2021)	8 Dec 2021	8 Mar 2022	Not yet due	
Reports of the Office of the Auditor General on: (1) Owen Roberts International Airport (ORIA) Terminal Redevelopment Project – Progress update as at August 2018 (January 2019); (2) Financial Reporting of the Cayman Islands Government: General Report 2019 (December 2020); and (3) Improving Financial Accountability and Transparency: Budgeting (December 2020) (PA and GR)	15 Jul 2021	15 Oct 2021	Not yet tabled	4 months late
Report of the Office of the Auditor General on Efficiency and Effectiveness of the Utility Regulation and Competition Office (OfReg) (June 2020) (PA)	12 Dec 2020	12 Mar 2021	Not yet tabled	11 months late
Report of the Office of the Auditor General on Efficiency and Effectiveness of Summary Courts (November 2019) (PA)	1 Jul 2020	1 Oct 2020	Not yet tabled	16 months late

Report of the Standing Public Accounts Committee on the:	Date tabled	Government Minute due	Government Minute tabled	Delay in tabling Government Minute
Report of the Office of the Auditor General on Follow-up on past PAC recommendations (October 2018) (PA)	10 Apr 2019	10 Jul 2019	Not yet tabled	31 months late
Report of the Information and Communications Technology Authority 2015/16 Accounts (FA)	22 Nov 2018	22 Feb 2019	Not yet tabled	36 months late
Report on the Segregated Insurance Fund 2015/16 Accounts (FA)	6 Sep 2018	6 Dec 2018	Not yet tabled	38 months late
Report on the Cayman Islands Monetary Authority 2015/16 Accounts (FA)	6 Sep 2018	6 Dec 2018	Not yet tabled	38 months late

ABOUT THIS REPORT

This report provides an update on the Government's progress in implementing the 54 recommendations made in the following three PAC reports, tabled on 6 September 2018 and 1 July 2020:

<i>OAG report</i>	<i>PAC report tabled</i>	<i>Government Minute tabled</i>	<i>Total Recommendations</i>
<i>Major Capital Projects Follow Up</i> (October 2017)	6 September 2018	14 October 2020	13
<i>Customs in the Cayman Islands</i> (May 2019)	1 July 2020	14 October 2020	20
<i>School Education</i> (October 2019)	1 July 2020	24 July 2020	21
Total recommendations			54

This report provides:

- A high-level assessment of each report, including a Red-Amber-Green (RAG) progress rating (below).
- An overall conclusion on the Government's progress in implementing PAC recommendations (next section).

- Detailed assessments of the Government’s progress for each report (Appendices 1, 2 and 3). Each appendix includes a summary of the PAC recommendations and the original OAG recommendations; the Government’s response and planned implementation date to the original OAG recommendations; updated responses received between October 2021 and February 2022; and an OAG comment on the updates.

HIGH-LEVEL ASSESSMENT OF REPORTS

We have outlined our high-level assessments of the Government’s progress with implementing the recommendations of the three reports covered in Exhibit 2.

Exhibit 2 – High-level assessment of progress in implementing PAC recommendations

Report	OAG comment	OAG assessment (January 2022)
Major Capital Projects Follow Up (October 2017)	The OAG report included 11 recommendations. The PAC endorsed these and made a further two recommendations in its report (September 2018). The recommendations were directed to the Major Projects Office, which is part of the Public Works Department and is now within the Ministry of Planning, Agriculture, Housing and Infrastructure, and the Ministry of Finance and Economic Development. Of the 13 recommendations made, one recommendation was not accepted. Of the remaining 12 recommendations, we have assessed that three have been implemented, one has been partly implemented and action is planned, but not yet started, for eight recommendations. See Appendix 1 for details.	 Limited progress
Customs in the Cayman Islands (May 2019)	The OAG report included 15 recommendations. The PAC endorsed these and made a further five recommendations in its report (July 2020). All 20 recommendations were accepted. Overall, we have assessed that six have been implemented, four have been partly implemented, action is planned for four, and there has been no progress with six. However, we noted mixed	 Limited progress

Report	OAG comment	OAG assessment (January 2022)
	progress in implementing the recommendations by different ministries. Nine of the recommendations were directed to Customs and Border Control (CBC), which is now part of the Ministry of Border Control and Labour. We have assessed that CBC has implemented four of the recommendations, has partly implemented two, and has made little or no progress on the remaining three. We have assessed CBC's progress as Amber – some progress. The remaining eleven were directed to the Ministry of Finance and Economic Development (MFED). We have assessed that of these recommendations, MFED has implemented two, partly implemented two, has plans to implement four (but has not yet started) and has made little or no progress on the remaining three. We have assessed MFED's progress as Red – limited progress. See Appendix 2 for details.	
School Education (October 2019)	The OAG report included 18 recommendations and the PAC made a further three recommendations. Most of these recommendations were made to the Ministry of Education. All 21 recommendations were accepted. We have assessed that 11 have been fully implemented, nine have been partly implemented or action is planned, and there has been no progress with one. See Appendix 3 for details.	 Some progress

*Note: **Red** – limited or no progress has been made; **Amber** – some progress has been or is being made; **Green** – significant progress has been made in addressing the recommendations.*

Our assessment of the 54 recommendations in these three reports shows that two per cent of the recommendations were not accepted. Overall, 20 (37 per cent) of the recommendations have been implemented. A further 26 (48 per cent) are partly implemented or in progress. There has been no progress with seven (13 per cent) of the recommendations.

Exhibit 3 – Summary of the implementation of recommendations

	Recommendation not accepted	Recommendation implemented	Recommendation partly implemented or action is planned	No or limited progress with recommendation	Total recommendations
Major Capital Projects Follow Up (October 2017)	1 ¹ (8%)	3 (23%)	9 (69%)	- (0%)	13
Customs in the Cayman Islands (May 2019)	- 0%	6 30%	8 40%	6 ² 30%	20
School Education (October 2019)	- (0%)	11 (52%)	9 (43%)	1 (5%)	21
Total	1 (2%)	20 (37%)	26 (48%)	7 (13%)	54

The OAG will continue to follow up on the 26 recommendations that we have assessed as **Amber** (Partly implemented or in progress) and the seven recommendations that we have assessed as **Red** (No or limited progress).

¹ It is not clear if one of the recommendations was accepted; we have therefore assessed it as 'Not accepted'.

² It is not clear if one of the recommendations has been implemented; we have therefore assessed it as 'No Progress'.

CONCLUSION

1. This is the latest report in a series following up on the Government's progress in implementing previous recommendations made by the Public Accounts Committee (PAC) and my office.
2. In this report, I provide an update on the Government's progress with implementing the recommendations made in three PAC reports. Overall, only 20 (37 per cent) of the 54 recommendations made have been implemented. Almost half of the recommendations are assessed as "amber" and for half of these action is planned but has yet to start. This is disappointing given that the recommendations were made more than two years ago, with some dating back to 2017 and earlier. I have, however, noted differences in the progress made by Ministries.
3. I am pleased to note that the Ministry of Education has made good progress with many of the recommendations in the *School Education* report. However, some of the important recommendations have yet to be actioned. I appreciate that the COVID-19 pandemic has hampered efforts to implement some recommendations as resources were diverted to delivering online learning during 2020. I note that the Ministry has developed a range of strategies on elements of the education system, but it has yet to develop an overarching education strategy. The recommendation to develop a long-term financial plan has also not been implemented. These are important documents that would help set out the strategic direction for improving educational attainment within the Cayman Islands. I note that the Scholarships Secretariat is collecting more data, but it still does not have data on whether scholarship recipients are now successfully employed and in the areas for which they received scholarships. This is important information to measure the effectiveness of the scholarships programme.
4. In relation to the *Major Capital Projects Follow Up*, it is disappointing to note that more than four years after making the recommendations, that nine (69 per cent) of the 13 recommendations have yet to be implemented. The report, at the time, commended the new approach for major capital projects and made recommendations to strengthen this further. I made six recommendations to the Major Projects Office (MPO) and Public Works Department (PWD), which now sits within the Ministry of Planning, Agriculture, Housing and Infrastructure. There have been major changes in senior management within the MPO, PWD and Ministry over the last couple of years. Despite these changes, it is pleasing to note that they have made significant progress implementing the recommendations. However, it has yet to review and update its governance framework for capital projects. Five of the recommendations in that report aimed to improve the budget process and financial planning and reporting and were assigned to the Ministry of Finance and Economic Development (MFED). MFED has plans to implement the recommendations, but they have yet to start and all remain outstanding. In particular, MFED plans to, but has not yet:

- Aligned its approval processes for budgets and major capital projects, and its budget documents do not include complete and consistent information on capital investment decisions.
 - Developed a long-term capital investment plan that is affordable and maintains the Cayman Islands' long-term financial sustainability. A long-term capital investment plan is particularly relevant considering that the Government intends to borrow significant sums of money to finance various capital projects.
 - Started preparing and publishing regular update reports on the progress of major capital projects and capital investment.
5. In relation to *Customs in the Cayman Islands*, it is disappointing to note that only six (30 per cent) of the 20 recommendations have been implemented almost three years later. However, for this report there is also a mixed picture. Customs and Border Control (CBC) has fully implemented about half of the recommendations assigned to it, compared to Ministry of Finance and Economic Development (MFED) implementing approximately 20 per cent of the recommendations assigned to it. Some important recommendations have yet to be implemented. The MFED has not yet established a Revenue Unit, determined the level of the “tax gap” or finalised a concessions policy for the Cabinet’s approval.³ My Office first recommended in 2015 that a revenue concessions policy be developed and approved and MFED committed to do this by December 2016. Five years later, a revenue concessions policy has still not been put in place, although I understand that one has been drafted. Without such a policy, it is not clear how CBC can effectively monitor goods being imported and ensure that the appropriate revenues are collected. It is pleasing that CBC has now published its strategic plan, but it has not yet developed a workforce plan or updated its Workforce Rules to include direction to staff on purchase of seized or forfeited goods. It is concerning that almost three years after making my recommendation to put in place effective project management for the remainder of its IT modernisation project, CBC has not yet done so.
6. Since my last follow-up report in January 2022, the Government has continued to fall behind in its formal responses to PAC reports. As of the end of January 2022, the Government had not responded to seven PAC reports. Some of these reports cover significant areas of public interest, such as the efficiency and effectiveness of our summary courts and the utilities regulator OfReg. However, the Deputy Governor gave a commitment to the PAC at its hearing in January 2022 that he would take personal responsibility for the coordination and tabling of Government Minutes by the end of March 2022. I look forward to seeing these Government Minutes and being able to provide assurance to the Parliament, Public Accounts Committee and the public that recommendations for improvement are being implemented by the Government and wider public sector.

³ The tax-gap is the potential revenue lost through the non-tracking of concessions and evasion of import duties.



Sue Winspear, CPFA
Auditor General
George Town, Grand Cayman
Cayman Islands

15th February 2022

APPENDIX 1 - MAJOR CAPITAL PROJECTS FOLLOW UP (OCTOBER 2017)

The Public Accounts Committee (PAC) held three meetings to consider the report between 24th October 2017 and 25th January 2018. In its report (laid on the Table of the then Legislative Assembly on 6th September 2018), the PAC concluded:

- The Committee agrees with and accepts the 11 recommendations made by the Auditor General, summarised in Appendix 3 of the OAG report. The Committee urges the Government to implement the recommendations as a matter of priority, given the number of major capital projects that either have commenced or are about to be undertaken.
- The Committee recommends that the Financial Secretary and Attorney General formally sign off on the financial and legal sections of business cases of the entire project and the operational cost going to Cabinet for approval.
- The Committee recommends that the OAG provides an update on the recent re-development of the Owen Roberts Airport Terminal through an audit report.

OAG comment on the Government response: The Government Minute was tabled in the then Legislative Assembly on 14 October 2020. However, the Government Minute did not provide an updated response to the 11 recommendations made by the OAG. For the purposes of this report, we requested progress updates for each of the recommendations from the Public Works Department (PWD) within the Ministry of Planning, Agriculture, Housing and Infrastructure (MPAHI) and the Ministry of Finance and Economic Development (MFED) in October 2021. We received responses from PWD in December 2021 and MFED in February 2022. We also obtained a response from the Ministry of Sustainability and Climate Resiliency (MSCR) on one of the recommendations in February 2022.

The Government has made limited progress in implementing the 13 recommendations made by the PAC and the OAG. Of the 13 recommendations, one was not accepted, three have been implemented (23 per cent), one has been partly implemented and action is planned but yet to start for eight. Therefore, we have assessed the overall progress with implementing the recommendations as **Red** (Limited progress).

Recommendation	Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
1. The Government should review the way the Public Works Department (PWD) Major Projects Office is established, staffed and funded to ensure that it can continue to provide strong functional leadership for the management of major capital projects across the public sector in the longer term. (OAG)	Management fully supports this recommendation and has been working towards this for some time. The first Senior Project Manager (SPM) employed by another entity (SPM Airport Project) has now been transferred to a direct PWD contract with a Service Level Agreement (SLA) in place such that the "Capital Project" pays for all costs related to PWD's employment of the SPM. It is planned to transfer all SPM's currently employed by other Ministries / Statutory Authorities and seconded to PWD contracts, but charged to the capital project by SLA. Planned implementation date: Implementation has commenced with SPM Airports transferred from CIAA to a PWD contract as of 1 October 2017. SPM's for Schools, ISWMS and Cruise Berthing Projects to transfer to PWD by 31 March 2018.	The current management structure of the MPO within PWD has been realigned to maximise the utilization of internal resources such as Architecture, Engineering, Cost Consultancy and Project Management support. Recruitment is considered as and when specialised expertise is required. Projects are funded by our clients as outlined in our SLAs which includes all operational and personnel costs. As per recommendations in the response to OAG in 2017, PWD has since transferred the SPM Airport from CIAA to PWD; this came into effected in October 2017. Subsequently, all contracts including the SPM for Schools, Cruise Berthing and ISWMS projects were signed under PWD in 2019 and 2020 respectively.	Recommendation implemented.

Recommendation		Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
			All future contracts are intended to continue under this model.	
2.	The PWD Major Projects Office should regularly review and update the governance framework to ensure that it remains fit for purpose, including providing indicative timescales for each stage, and develop further guidance as necessary. (OAG)	Management fully supports this recommendation. Planned implementation date: Framework to be reviewed annually to ensure it remains current.	PWD continue to adhere to the approved governance framework established. It is the endeavour of the department to review the framework annually to ensure that processes remain relevant and are aligned with best practices and adhere to all relevant acts/regulations. <u>Follow-up:</u> We are unable to definitively confirm for previous years 2017 through to 2020. As of 2021, PWD continue to adhere to the approved governance framework established. No changes have been made to [the framework to] date.	Action planned to implement the recommendation. The PWD cannot confirm whether the framework has been reviewed or changes made to the framework to date. However, in response to recommendation 4 (below) it states that it will finalise the framework by 30 June 2022.
3.	The Government should identify and take additional actions needed to ensure full ownership of the new	Management agrees that CIG should take actions to ensure full ownership of the governance	No update provided.	Partly implemented. The Deputy Governor issued a policy directive on

Recommendation		Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
	governance framework, coordination with the National Roads Authority for roads projects, and to ensure application of the framework to all major capital projects in the future. (OAG)	framework and to ensure that it applies to all major capital projects. Planned implementation date: Deputy Governor to issue policy directive by 31 December 2017 to CO's/Heads of SAGC's that all major projects are to adhere to the governance framework. Director PWD/CPM to ensure that governance framework (Traditional delivery) is available to all on the procurement website by 31 December 2017 and by 1 March 2018 for PPP and Design Build Delivery projects.		30 January 2018 to all Chief Officers that all major capital projects should adhere to the MPO governance framework. However, it is not clear to what extent there is coordination with the National Roads Authority. The PAC may wish to ask Public Works Department what discussions it has had with the National Roads Authority.
4.	The PWD Major Projects Office should review and update the governance framework to make clear how the CEO and board of a SAGC fit in to the decision-making process when they are the main clients. (OAG)	Management fully supports this recommendation. Planned implementation date: To be updated by 31 December 2017.	PWD is currently reviewing the Major Projects Section (MPS) (formerly referred to as the MPO) Framework; we agree with this recommendation and intend to put this into practice, where applicable, and we anticipate finalizing our framework documentation by June 30, 2022.	Action planned to implement the recommendation. PWD plans to update the framework by the end of June 2022. The OAG will follow up on this in due course.

Recommendation	Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
5. The PWD Major Projects Office should work together with finance staff and Senior Responsible Owners to improve and align the format and content of monthly status reports to include up-to-date information on all project risk areas, including costs. (OAG)	Management agrees with this recommendation but notes that there are currently two levels of report/information being produced. The PWD MPO Monthly status reports highlight high level areas of risk, including cost risk. The SRO's monthly report which the MPO contributes to contains detailed financial reporting undertaken with the CFO. CIG to consider how this information is fed to Ministry of Finance. Planned implementation date: 31 March 2018.	<u>Response from PWD (December 2021)</u> The PWD Major Projects Office has updated the format and content of monthly status reports in line with the recommendation. <u>Response from MFED (February 2022):</u> Management has recently identified areas to be expanded in the Entire Public Sector (EPS) Monthly Financial Report. One improvement will be to include a Schedule of Capital Projects over \$1 million. This will include the following elements: appropriation code, project name, timeline, budgeting, funding per budget period (over 5 years), source of funding, monitoring, forecasting future costs, estimated completion dates, human resource requirements, and any risk related to the project.	Action planned to implement the recommendation. The OAG has reviewed a sample of PWD's monthly status reports and confirms that these include up-to-date information on risks and costs. MFED plans further action to implement the recommendation by March 2022. The OAG will also keep this under review when we follow up on progress with implementing our recommendations in our report on the budgeting process.

Recommendation		Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
			Monthly reporting on Capital Projects should be in place by 31 March 2022. Regular updates (in line with the above details) on Capital Projects will also be provided to the public via Quarterly and Annual Reports.	
6.	The Government should ensure that it has the specialist expertise needed to properly manage contracts for Public Private Partnership projects over their entire term. (OAG)	Management agrees with this recommendation. Management recognises that whilst CIG has the necessary project management and procurement expertise within PWD/MPO, to see projects through to handover of the capital project to the client, there is a need for additional resources to manage the PPP contract through its 25+ year term. There is a need for: 1. Expertise to manage the long-term financial aspects of the PPP contract. (Likely based at Financial Administration or Procurement Department)	<u>Response from MSCR (February 2022):</u> The Ministry of Sustainability and Climate Resiliency are the current project sponsor for the proposed PPP for the new integrated solid waste management system and fully agree that CIG will need to ensure it has capacity and specialist expertise to manage the contract for the delivery of the project. To that end, the Ministry will be working with partner agencies (such as the Ministry of Finance and Economic Development) to develop the job specifications and identify funding, and will work to have this resource	Action planned to implement the recommendation. MFED issued guidance on PPP and alternative financing in March 2019. The Government signed its first PPP deal for the waste management facility in March 2021. At that time the facility was expected to be completed and become operational in late 2024, at which point the Government will need specialist expertise to manage the contract. The Government plans to recruit specialist expertise to

Recommendation		Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
		2. Expertise to manage the long term operational aspects of the PPP contract (Likely based at Client Ministry / Department) 3. PPP legal expertise will need to be provided on an “as needed basis” either through legal department or through private sector. Planned implementation date: To be in place at least one year prior to project handover. (ISWMS and Cruise Berthing Projects) (On the ISWMS project, this is subject to approval of one additional post with funding for the operational specialist).	in place at least one year prior to project handover.	manage the PPP for the waste management facility but has yet to do this.
7.	The PWD Major Projects Office, the Government and SAGCs should ensure that key approval documents for all major capital projects, such as the SOC, OBC, FBC and Post Project Evaluation Reports are prepared in line with the	Management agrees with this recommendation. As the initiator of the governance framework, PWD/MPO are intent on ensuring that all documentary requirements of the governance framework are met.	As of June 2021, PWD has been focusing on ensuring that all major projects are in line with the governance framework established. Projects such as the Airfield Upgrade and the JGHS Project A have both	Recommendation implemented.

Recommendation		Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
	governance framework to support informed decision making. (OAG)	Planned implementation date: In effect.	completed relevant documents and obtain approvals including the FBC. It is the intention for all major projects to follow the guidelines of the governance framework to create transparency and confidence in decision making.	
8.	The Government should ensure that its approval processes for budgets and major capital projects are aligned and that budget documents include complete and consistent information on capital investment decisions, including indicative capital and operational costs such as the implications of PPP projects. It should also ensure that the approval processes are taken into account when considering compliance with the FFR in the short, medium and long-terms. (OAG)	Management agrees with this recommendation. The MPO can support Ministry of Finance and SRO's in advising them on estimated capital costs, cashflows and in the case of PPP's, full life costs on major projects. Management would like to expand this recommendation to improve the manner in which capital funds are managed through the budget process as this would support better alignment of the approvals process for budgets and major capital projects. The proposed improvements were recommended in clause 14 of the Jan 2013 report of the procurement sub-committee.	MFED will be introducing a 3-year rolling forecast (updated monthly) of its financials by 30 June 2022 along with a detailed Schedule of the Capital Projects, which will provide comprehensive and up-to-date information on Capital Projects over \$1 million. The Schedule of Capital Projects will be included in the Monthly EPS Report starting 31 March 2022. The Schedule of Capital Projects includes details of budgeted/planned Capital Expenditure over the following 5 years as well as the expected Operational Expenditures (both while the project is under	Action planned to implement the recommendation. The OAG will also keep this under review, including when we follow up on progress with implementing our recommendations in our report on the budgeting process.

Recommendation	Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
	Cabinet has approved the recommendations of this report. This would include moving major capital project funding from the annual budget process and placing it in a separate capital development reserve fund account. This reserve fund would be ring-fenced such that major capital project funds do not expire at the end of the budget year. This would immediately eliminate the annual year end rush to expend unspent capital funds on other projects and the questionable procurement practises that this rush to spend brings about. The fund would be managed by a capital development committee which would have some authority to manage the allocation of funds between major projects. This would for example allow a major project that is running ahead of schedule to more easily access additional funding from savings elsewhere in the capital development reserve fund.	construction and after completion). This information will feed directly into the budget and planning process to provide decision makers with a comprehensive view of Capital Projects. This will be included in the next possible budget process, which is the 2024-2025 budget period. The Schedule of Capital Projects also includes an FFR impact assessment to provide decision makers with information on the true impact of Capital Projects.	

Recommendation		Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
		Planned implementation date: 30 June 2018.		
9.	The Government should develop a long-term capital investment plan, that includes the elements set out in paragraph 82 of this report (Major Capital Projects Follow Up), update it on a regular basis and make it publicly available. (OAG)	Management supports the development of a long-term capital investment plan as described. Planned implementation date: 30 June 2018.	As an interim response to this recommendation, the MFED has integrated a portion of a Long-Term Capital Investment Plan into the budgeting and reporting processes, by way of a Schedule of Capital Projects. This will be reported monthly to Cabinet and quarterly to the public starting 31 March 2022. By building a detailed Schedule of Capital Projects into our budgeting and reporting processes, major capital projects will be prioritised to the same level as all other budgeting and reporting – this gives the benefit of transparency and more information being frequently provided to the public. However, the Schedule of Capital Projects provides a more strategic and long-term approach to planning, budgeting, and reporting; as well as the longer-term resources required.	Action planned to implement the recommendation. MFED intends to start reporting on capital projects by the end of March 2022. The OAG will review future quarterly reports to determine if they include reasonable information on major capital projects. MFED plans to establish a Capital Development Committee by September 2022. The Committee will be responsible for developing and maintaining the long-term capital investment plan. The OAG will get an update on establishment of the Capital Development Committee when we follow up on progress with implementing our

Recommendation	Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
		The Schedule of Capital Projects provides substantial details of all major capital projects with a value over \$1 million. This Schedule will be included in Monthly EPS Reports, Quarterly Reports and Annual Reports. By including this in Quarterly and Annual Reporting, the public will be kept up-to-date of all major capital projects planned or underway for the next 5 years. In the absence of a Country Plan, projecting accurately beyond 5 years would be difficult. The Schedule of Major Capital Projects will form part of the Strategic Policy Statement and the Budget Process and will provide details of the impact on FFR, future operating costs and human resource needs. In its current form, this Schedule projects out the forecasted expenditure for the next 5 years and includes the following elements: appropriation code, project name, timeline, budgeting, funding per	recommendations in our report on the budgeting process.

Recommendation		Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
			budget period (over 5-year period), source of funding, monitoring, forecasting future costs, estimated completion dates, human resource requirements, relevant broad outcome and any risk related to the project. This comprehensive Schedule covers all items specified in section 82 of this report (Major Capital Projects Follow Up). However, the MFED plans to establish a Capital Development Committee that would develop a Long-Term Capital Investment Plan – the Committee will be established by September 2022.	
10.	The Government should also identify who will be responsible for developing and maintaining the long-term capital investment plan, ensuring that there are strong links to the budgeting framework and, that capital investment is affordable while maintaining the financial	The development of the long-term capital investment plan will require a capital investment committee or similar to be established to manage this process. This same committee should take on the role of the capital development committee outlined in 8 above as there is	The MFED has taken the immediate action to include a Schedule of Capital Projects over a value of \$1 million into our budgeting and reporting processes. The updating and maintaining of this Schedule will be managed by the Treasury's Budget and Management Unit and EPS Reporting Unit in coordination	Action planned to implement the recommendation. MFED plans to establish a Capital Development Committee by September 2022. The Committee will be responsible for developing and

Recommendation		Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
	sustainability of the Cayman Islands in the longer term. (OAG)	considerable overlap between the two committees. Planned implementation date: 30 June 2018.	with the Major Projects Office at Public Works Department. However, MFED will be working with the Major Projects Office, to establish a Capital Development Committee that would develop and own the Long-Term Capital Investment Plan – this Committee will be established by September 2022. This Committee would take the priorities of Cabinet and develop a Long-Term Capital Investment Plan that would then be formally brought to Cabinet for approval – with a date of August 2023 – this date will be in advance of the 2024-2025 Budget process to ensure that this plan can be factored into the 2024-2025 Budget.	maintaining the long-term capital investment plan. The OAG will get an update on establishment of the Capital Development Committee when we follow up on progress with implementing our recommendations in our report on the budgeting process.
11.	The Government should prepare and publish regular update reports on the progress of all major capital projects and capital investment. It is important that these update	Management agrees with this recommendation. The MPO would prepare these update reports in conjunction with SRO's, Ministry CFO's; SAGC CFO's	The MFED has developed a Schedule of Capital Projects for documenting and tracking capital projects over \$1 million. This Schedule will be included in Monthly EPS Reports to	Action planned to implement the recommendation. MFED has stated that it will publish the Schedule of Capital Projects quarterly effective

Recommendation		Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
	reports include robust financial information to inform the budgeting cycle.	and Ministry of Finance. Some aspects of the commercial information are in confidence where contracts have not already been awarded. Planned implementation date: 31 December 2017 followed by 6 monthly updates.	Cabinet as well as in Quarterly and Annual Reports to the Public. The Schedule of Capital Projects will form the basis of capital projects to be included in the supplemental budgets until the Long-Term Capital Investment Plan is developed by the Capital Development Committee – planned for August 2023. This Schedule includes the following elements: appropriation code, project name, timeline, budgeting, funding per budget period (over 5 years), source of funding, monitoring, forecasting future costs, estimated completion dates, human resource requirements, and any risk related to the project.	March 2022 (please also refer to the response the recommendation 9). As stated above, the OAG will review future quarterly reports to determine if they include reasonable information on major capital projects and confirm that this information is built into the long-term capital investment plan once it is developed.
	The Committee agrees with and accepts the 11 recommendations made by the Auditor General, summarised in Appendix 3 of the OAG report. The Committee urges the Government to implement	N/A	No update provided in the Government Minute.	The Government Minute did not provide an update on its implementation of the OAG recommendations. As a result, the OAG obtained an update for each of these recommendations and our

Recommendation		Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
	the recommendations as a matter of priority, given the number of major capital projects that either have commenced or are about to be undertaken. (PAC)			assessment of progress against each of these recommendations is outlined above.
12.	The Financial Secretary and Attorney General formally sign off on the financial and legal sections of business cases of the entire project and the operational cost going to Cabinet for approval. (PAC)	N/A	Outline Business Cases (OBCs) prepared by CIG entities for the purpose of the <i>Procurement Act</i> and Regulations are in accordance with the CIG Business Case Templates Pack. This is comprised of OBC templates and accompanying guidance issued by the Strategic Reforms Implementation Unit (SRIU). The following templates are currently in use: i. Single Stage Business Case – Low Value and Risk (less than \$250,000) ii. Single Stage Business Case – Medium Value and Risk (greater than \$250,000) Neither template contains any section which requires specific legal content or input on the proposed	It is not clear if the recommendation has been accepted. The first part of the response does not relate to OBCs that are required for major capital projects, which was the subject of the PAC and OAG report. Major capital projects are valued at \$10 million or more. The response states that the Government will however consider the requirement for business cases to contain legal and financial implications for the proposed projects. However, it is not clear if this has been actioned.

Recommendation	Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
		purchase of goods, services or works, and which might call for the review by the Attorney General's Chambers. There is also no specific requirement within the Procurement Act or Regulations for business cases to include legal considerations. Since the business case is, broadly speaking, intended to demonstrate the need for the project, likely benefits which will accrue, and that there is a basis on which a decision may be made to proceed to the procurement stage for a particular project, it would be difficult for entities to highlight with any degree of precision potential legal issues that might arise in the event that the project was eventually executed at a later date. The Attorney General's Chambers is usually called upon to provide legal support post business case approval – in some instances, this may be at the tendering stage (for example, to review a request for proposals or quotations) but more often, this occurs after a preferred tenderer	From our discussions with MFED, we understand that the Financial Secretary intends to discuss the recommendation with the Attorney General. The PAC may wish to ask the Financial Secretary for an update on any discussions with the Attorney General.

Recommendation	Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
		has been selected and a contract is to be negotiated. At this stage, the procuring entity is better placed to identify possible legal risks and liability and the Attorney General's Chambers, to offer guidance on specific legal issues arising in relation thereto rather than providing merely theoretical views based on certain assumptions. With respect to projects (i) with a lifetime value above CI\$10M and (ii) those where the use of Public Private Partnerships (PPPs) or any other form of alternative financing is being considered, "the Cayman Islands Government is required to retain independent accounting, legal, financial, economic, environmental and other technical advice as appropriate to ensure robust investment appraisals" are produced – see Framework for Fiscal Responsibility, Schedule 6 to the <i>Public Management and Finance Act</i> (2018 Revision). The wording of the FFR is somewhat ambiguous as to	

Recommendation	Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
		whether such independent advice must be included in a business case. More fundamentally, it is unclear what is contemplated by the Recommendation that Chambers “formally sign off”. It is not the usual practice of Chambers to vet, as it were, third party legal advice, particularly where provided by legal specialists in their specific areas of expertise. The Committee should note that the accountable officer for all legal and financial matters in each entity is the Chief Officer (CO) or Chief Executive Officer (CEO) for a Statutory Authority or Government Company. The CO/CEO is responsible for seeking appropriate legal and financial advice to ensure the legal operation within their financial budgets for the entity. Adding the requirement for a signature of the Attorney General and the Financial Secretary to the business case would add delay to	

Recommendation	Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
		the approval and delivery of projects for the Cayman Islands. The Government will however consider the requirement for business cases to contain legal and financial implications for the proposed projects and take the following into consideration: i. whether legal input should be required for all CIG business cases or only those relating to projects of/above a certain value or in respect of which the risk to CIG is higher; ii. clarifying what is contemplated by way of formal sign off by the Attorney General's Chambers in relation to any legal input provided in business cases; and iii. the modification of existing OBC templates to reflect any new requirements which Government may seek to introduce.	

Recommendation	Original management response to OAG recommendation (October 2017)	Government response (December 2021/ February 2022)	OAG comment (February 2022)
13. The Committee recommends that the OAG provides an update on the recent re-development of the Owen Roberts Airport Terminal through an audit report. (PAC)	N/A	N/A	Recommendation implemented. The OAG carried out an update audit on the ORIA Terminal Redevelopment Project in 2018. The OAG issued the report to the PAC in August 2018. Due to the sensitive nature of some of the findings the report was not published until January 2019. At which time it was published with some redactions. The PAC held hearings on the report in January 2021. However, due to the early dissolution of the Parliament in advance of the April 2021 elections, the PAC did not have an opportunity to finalise its report. The incoming PAC tabled a report in July 2021 that endorsed the recommendations made by the OAG.

APPENDIX 2 – CUSTOMS IN THE CAYMAN ISLANDS (MAY 2019)

The Public Accounts Committee (PAC) held three meetings to consider the report between 5th September and 2nd October 2019. In its report, laid on the Table of the Legislative Assembly on 1st July 2020, the PAC concluded:

- Customs is often the first official organisation encountered by people when entering a country and by traders importing and exporting goods. Customs makes a significant contribution to the Cayman Islands economy, through collecting duties on behalf of the Cayman Islands Government and helping to protect the borders by restricting the entry of contraband goods.
- The Committee endorses the 15 recommendations made by the Auditor General as set out in Appendix 3 of the OAG report and encourages the Government and Customs and Border Control to implement these as soon as possible.
- The Committee is disappointed that despite the OAG and this Committee recommending in 2015 that a revenue concessions policy be put in place that this has not yet happened. The Committee notes that a policy has been drafted but is concerned that it may not be sufficiently detailed to provide the clarity and robustness to the process that is needed. The Committee urges the Government to approve and implement this policy as soon as possible.
- The Committee is concerned that the awarding of some concessions is not in line with legislations, specifically the *Hotels Aid Act (Revision) 1995*. The Committee recommends that the Government ensures that it is complying with the *Hotels Aid Act* when awarding concessions, or repeals this legislation.
- The Committee is concerned that concessions are being awarded with conditions, for example, creation of jobs for Caymanians, but these are not being followed up or monitored by the Government. The onus should be on the recipients of concessions to provide regular updates on how they are meeting the conditions of the concessions awarded, and any anomalies should be followed up the relevant government agency. The Committee recommends that the Government requests all recipients of concessions to provide regular updates on any conditions of concessions awarded and that there should be in electronic format. The Government should then monitor progress against these conditions and follow up with concessions recipients as necessary.
- The Committee is concerned that there is not a shared understanding of the concessions being awarded across government, including conditions of concession, which is resulting in a lack of monitoring. The Committee heard that Cabinet extracts of approved concessions are shared with relevant Chief Officers but this does not allow for detailed monitoring. The Committee recommends that the Ministry of Finance and Economic Development share approval letters for concessions with other government entities, such as WORC, so that the conditions can be monitored, followed up as necessary, and monies clawed back if the conditions have not been met.

- The Committee is concerned that duty rates are outdated and those used for alcohol and fuel are not based on the appropriate measurement as duty is calculated on volume rather than value. This may result in lower revenues than could be achieved. The Committee recommends that the Government review duty rates to be paid and specifically considers basing alcohol and fuel duty rates on value rather than volume.

OAG comment on the Government response: The Government Minute was tabled in October 2020. As a result, the OAG obtained an update on progress from Customs and Border Control (“CBC”) and the Ministry of Finance & Economic Development (“MFED”). The OAG requested updates on 13th October 2021. CBC responded on 3rd December 2021 and MFED responded on 11th February 2022.

The Government has made limited progress in implementing the recommendations made by the PAC and the OAG. The PAC and OAG made a total of 20 recommendations. Of the 20 recommendations, six have been implemented (30 per cent) and four have been partly implemented and action is planned for four. There has been no progress with six recommendations. We have therefore assessed the overall progress with implementing the recommendations as **Red** (Limited progress).

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
1.	Customs and Border Control should develop a strategic plan as soon as possible. The plan could build on the Customs Department’s Business Process Document and should ensure that it captures all of the	We agree with and accept this recommendation. During the audit we advised the Office of the Auditor General that we had plans in late 2017 and early 2018 to develop and roll out a Customs Department Strategic Plan. However, that	A 5- year Strategic Plan is about to be finalized by the Director and CBC Senior Management Team (SMT). The Strategy will involve taking the necessary steps to achieve CBC’s vision by doing the things that will enable legitimate trade and travel, safeguard our borders, and help grow the economy. Emphasis will be placed on enhancing the culture of risk management and being an	The proposed timeline for the CBC Five Year Strategic Plan was further impacted by COVID-19 related complications from additional variants, border control adjustments etc. However, meaningful progress was made to	Recommendation implemented. Subsequent to the response received from CBC in December 2021, the CBC Five Year Strategic Plan was published in January 2022.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
	relevant activities of both predecessor organisations. (OAG)	plan was overtaken by the announcement in early 2018 of the policy to merge our Customs and Immigration departments. We took the decision at that point that it was prudent to postpone the development of a Strategic Plan and instead focus on preparing for the merger on the 1st January 2019. Once we were clear on the responsibilities, focus and composition of the new agency, we could then development a meaningful Strategic Plan for our new agency. We expect to have a CBC Strategic Plan in place in 2019.	intelligence-led risk management and compliance organization. Three areas of focus with nine strategic objectives and thirty two agreed projects will be implemented over the period 2020 to 2024. Key areas of focus are: • Trade / Revenue, • Secure Borders, and, • Institutional Strengthening. CBC's strategy forms part of a wider national strategy, working with other agencies of government to keep the Cayman Islands safe. It increases CBC's use of technology and improved individual capability to enhance our situational awareness of all threats and to take steps to counter those threats. The strategic goals and objectives developed are expected to provide a roadmap of activities for accomplishing the agency's mission. CBC recognize, however, that certain cross-cutting enablers (improved intelligence and	complete the Strategic Plan during the COVID-19 pandemic and staff consultation got underway in 2021 with a series of Portfolio-led sectional meetings, deployment of suggestion boxes across all of CBC's operational centers, and the establishment of a dedicated email address to receive feedback from staff. The staff consultation exercise culminated in a CBC staff meeting on the 26 th October 2021.	

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
		Planned implementation date: 2019	information sharing, expansion of partnerships, and management operations and organizational effectiveness) affect CBC's ability to accomplish its mission and ultimately achieve its goals. In late August 2020, deliberations are planned for the Director CBC and SMT to carefully examine the consequences to timelines caused by the 2020 COVID-19 pandemic. This will be followed by wider staff consultation and ultimate finalization of the plan. It is envisioned that the plan will go live in September 2020.		
2.	Customs and Border Control should develop and implement a range of performance measures that cover inputs, outputs and outcomes and that allow it to determine whether strategic	We agree with this recommendation. Unfortunately, this problem is not unique to the Customs Department and work is underway across government to improve our systems for measuring performance	The CBC SMT recognizes both the benefits and challenges of change. Performance gauging that is measurable and transparent will be imbedded in CBC's focus areas and within the strategic objectives impacting the whole organization. This will cover their routine planning, reporting protocols, decision making and their performance improvement processes. The creation of	Since the 1 st quarter of 2021 CBC has been utilizing monthly dashboard reporting which records our primary statistics and key performance indicators. Please see attached. Additionally, in the	Recommendation implemented. CBC has introduced monthly performance reporting. The reports provide good management information and allow CBC to monitor and

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
	goals are being met. (OAG)	and therefore improve planning and business decisions. Planned implementation date: 2020 – 2021	key milestones Key Performance Indicators (KPIs) are integral to delivering the strategy of the new organization. Some of the performance measures include: • Budget and financial impact and other relevant measures, • Establishment of other baselines, • IT capability assessments, • Annual reporting on milestones progress and completion, and, • Stakeholder (citizens and business sector) perception and value of participation relying on constructive feedback. To aid in driving performance and promote accountability, quarterly performance dashboard reports will be produced. The KPIs will be kept under review by the SMT and updated based on their progress. This is currently in practice and will continue throughout the life of the Strategic Implementation Plan.	2022/2023 Budget Documents we have improved our Outputs Quantity, Quality and Timeline descriptions for easier tracking and performance measurement.	report progress against the outputs specified in the budget. However, the reports could be further enhanced to focus on outcomes and demonstrate efficiency.

Recommendation	Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
3. Customs and Border Control should develop a workforce plan that aligns with its strategic priorities and demonstrates how it will address existing pressures on the workforce and anticipate future needs. (OAG)	We accept this recommendation. The Caribbean Customs Law Enforcement Council is working on an IT based Human Resources Management System that will assist all member countries, including the Cayman Islands, with improving the management and deployment of our workforce. This new programme will be reviewed and hopefully adopted by member countries at our annual conference in Havana Cuba in May this year. Planned implementation date: 2020.	CBC's Strategic Implementation Plan sets out the main areas of focus and captures associated delivery work streams. This will involve Institutional Strengthening and objectives include building capacity, capability among staff, addressing learning development needs and making further development within human resources. This will be implemented in line with the Strategic Plan in September 2020.	We were hoping that the Caribbean Customs Law Enforcement Council's HRMS would have been an "off the shelf" product which we could adopt for our purpose in Cayman but that is not the case. We have therefore decided, in accordance with the Institutional Strengthening objectives in our Five Year Strategic Plan, to develop our own workforce plan. The recruitment of two HR assistants for the HR section is well advanced. The onboarding of additional staff will	No progress. CBC's latest update states that is recruiting HR staff to support the development of a workforce plan. The PAC may wish to ask for an update on the recruitment and for an indicative timescale for the completion of a CBC workforce plan.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
				enhance our ability to place the requisite focus on completing our workforce plan.	
4.	Customs and Border Control should develop a HR database to ensure that it has easy access to comprehensive data on staff qualifications and training needs. (OAG)	We accept this recommendation. As mentioned under Recommendation No 3, the Caribbean Customs Law Enforcement Council is working on an IT based Human Resources Management System that will assist all member countries, including the Cayman Islands, with improving the management and deployment of our workforce. This new programme will be reviewed and hopefully adopted by member countries at our annual	Prior to, and further motivated by, the Auditor General's report, CBC has embarked on an HR database namely Sentrifugo, renamed to CBC Human Resource Management System (HRMS) or CBC HRMS for short. Key features of the system include, but are not limited to: 1. The increased accuracy and added benefit of improving data within CBC. 2. Allowing staff immediate access to their personal file with the ability to update mutual information (such as address, emergency contact, blood type for emergency purposes, additional qualifications, allergic reactions etc.). 3. Allowing for the electronic/online processing of most (and eventually all) HR related matters (such as	A CBC stand-alone system was being developed. However, the CIG has decided to acquire a very comprehensive HR Management System for application across all government agencies, including CBC. Once we were advised of this we halted our initiative in order to make way for the new CIG HR Management System which is being rolled out in January 2022.	Recommendation in progress. The PAC may wish to ask POCS for an update on the new CIG HR management system.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
		conference in Havana Cuba in May this year. Planned implementation date: 2020.	gainful activity, uniform, transfer requests, etc.). 4. Allows for staff to input data within their personal online file. 5. Allows for immediate and timely reporting, with the option of generating graphs, charts etc. 6. Allows for internal CBC service wide announcements/communications. 7. Allows for easier management of recruitment and training. 8. Allows for the assessment and forecasting seasonal human capital needs. 9. Provides information to support personnel development and organization culture. 10. Allows for the ease of rotating staff within CBC units or on specific attachments, with added benefit of reviewing historical data on acquired skills and transfer. Currently, the system is in phase III of IV, with various stages utilizing testing environments. CBC anticipate that by December 2020, the system will be		

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
			ready for roll-out using a phased implementation plan.		
5.	Customs and Border Control should review its training and development needs and ensure that staff are sufficiently trained in profiling, customer service, data analysis and post-clearance audit. (OAG)	We accept this recommendation. Moreover, Post Auditing is now a Unit in the new CBC Organisational Structure which was shared with the Office of the Auditor General during the audit. The development and staffing of this new unit will commence in 2019. Planned implementation date: 2019 – 2022.	CBC have enrolled many of their staff at institutions that focus on specialized skill- sets and knowledge that would enhance the awareness profile of teams, thereby resulting in better detections at the border. An example is the enrolment of 20 employees on a two month Intelligence- led Risk and Compliance Program at a university in Australia. CBC remains committed to the training & development of its staff not only in areas identified in this audit but in areas now deemed critical to the communication and qualitative measures of CBC's performance. They have also designed a fit for purpose training program in order to cross train staff resulting from the merger, and a significant percentage of CBC staff have now been cross trained and can work from many points of entry.	CBC took advantage of the COVID-19 related restrictions on travel to the Cayman Islands to cross train a large number of its frontline staff.	Recommendation implemented.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
			Training and staff development will remain a focal point in the 2020 – 2024 implementation period of CBC's Strategic Plan.		
6.	Customs and Border Control should strengthen its integrity management by ensuring Workplace Rules include direction on staff purchase of government property, especially seized or forfeited goods; there is effective and regular rotation of staff; and by adding financial stability of CBC Officers to its annual vetting process. (OAG)	We accept this recommendation and will commence implementation in 2019. The proper and effective rotation of staff has been constrained by a number of legacy issues including the following: Customs was traditionally focused on revenue collection with insufficient staff trained in border control and enforcement duties; and, medical issues which were never properly addressed by medical boards and these issues prevented some staff from	CBC's SMT is in full agreement with this recommendation and key aspects currently exist within the organization. CBC's Workplace Rules will be updated in accordance with this recommendation. The regular rotation of staff will be directly improved by the ongoing cross training and enhancement of training and skills as mandated in CBC's draft Strategic Plan. CBC's vetting protocols will be updated in accordance with the recommendation. CBC's Workplace Rules will be updated by the end of October 2020. Their cross training has been fast-tracked as a result of the COVID-19 related closure of our airports, and CBC expect to substantially complete their cross training during Q1 of 2021 and that will facilitate the regular and effective rotation of staff.	Unfortunately, our Workplace Rules have not yet been updated. We now expect to complete this task in Q1 of 2022 which will include the updating of our vetting protocols, including enhanced vetting for officers nominated for service in our Intelligence Unit.	No progress. CBC has not yet updated its Workplace Rules or vetting procedures. The implementation of this recommendation has slipped by three years. The PAC may wish to ask for an update on progress.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
		performing enforcement related duties. Planned implementation date: 2019.	And finally, CBC's vetting protocols will be updated to implement the recommended change during Q1 of 2021.		
7.	Customs and Border Control should ensure that effective project management is put in place for the remainder of the IT modernisation project. This should include an updated plan that meets the needs of the new organisation; training and human resource requirements; monitoring of costs and timescales against budget; and	We accept this recommendation and, subject to funding, will employ a Project Manager asap to take over those responsibilities from the CBC's Deputy Director of Trade and Revenue. Planned implementation date: 2019.	CBC's SMT is in full agreement with this recommendation. The development of the Customs Information Management System (CIMS) is underway and a Business Case for IT development and consultancy services is in place. It contains four separate programs with implementation timelines. The modernization project has roots in legacy Customs systems, and CBC will continue with the IT modernization technology programs during 2020-2021. The system is being developed using the Agile Project Life Cycle Methodology and will position the organisation to manage trade facilitation, revenue collection operations, and streamline	CBC in collaboration with CSD has managed the project since its inception. However, CBC is currently recruiting for a project manager. The cost of the project as at October 2021 is approximately \$1.4 million and the projected completion date is December 2022. It should be noted that	No progress. A specific Project Manager has yet to be recruited despite this being planned for 2019. We acknowledge that the scope of the project has been extended from originally anticipated due to the merger of customs and immigration department into CBC. However, the cost to October 2021 of the project (\$1.4 million) is

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
	adequate stakeholder involvement to ensure that user needs are built into the IT system. (OAG)		border control processes. To meet on-going project commitments and to satisfy CBC's goal to transition from a gate-keeper approach to an intelligence-led risk management organisation with the use of technology (documented in CBC's 5 year strategic plan), it is absolutely necessary for CBC to continue to employ software developers/business analysts on temporary contracts. These contractors will continue to work on the design, development and full implementation of CIMS. To this end, the following IT Development Consultancy Services are required: - 1. Oracle APEX Technical Project Management Consultancy Services (One person) 2. Senior Oracle Developer - BI/Reporting Consultancy Services (One person)	additional components, such as our Sister Islands operations and Border Management, have been added to the initial project scope as a result of the merger.	now significantly more than originally estimated (\$277,000) and significantly delayed (estimated completion date was Q2 2021). The PAC may wish to follow up with CBC to investigate further project management arrangements in place and reasons for the current cost being \$1.1 million (400%) more than originally estimated and the estimated completion date being 18 months later than planned.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
			3. Senior Oracle Developer - Consultancy Services (3 persons) The temporary resources will be assigned to work on a wide range of software development modules for CIMS and the transition and integration of legacy systems. An in-service CBC Support and Maintenance Team will be required.		
8.	The Ministry of Finance and Economic Development's Revenue Unit should ensure that its process for preparing the revenue budget includes reasonable forecast and assumptions and that these are documented to provide an adequate audit trail for changes, review,	The Treasury Department will establish a Revenue Committee that will comprise of the Revenue Unit and the Customs and Border Control for budgetary forecasting. It is envisaged that both agencies will complete their own forecasts, and before they are submitted to the Budget Unit, the Committee will meet to	The Treasury Department will establish a Revenue Committee that will comprise staff from the Revenue Unit and from Customs and Border Control, for revenue forecasting. It is envisaged that both agencies will complete their own forecasts separately, and before they are submitted to the Budget Unit, the Committee will meet to compare the respective forecasts. Meetings will be held during the budget preparation process and quarterly to consider potential re-forecasting. Committee meetings will compare assumptions, identify variances between the two forecasts thereby establishing reasons	Whilst the formation of the Revenue Committee has not been formalised, the recommended approach to revenue forecasting has been followed for the 2022-2023 financial years. The one staff member of the Revenue Unit within the Ministry of Finance did liaise with staff from the Ministry of Customs	Recommendation in progress. MFED plans to establish a Revenue Unit in time for the 2022-2023 budget cycle. The OAG will get an update on establishment of the Revenue Unit when we follow up on progress with implementing our recommendations in our

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
	discussions (including with Customs and Border Control) and approval. (OAG)	compare the respective forecasts. Meetings will be held during the budget process and quarterly to consider potential reforecasting. Committee meetings will compare assumptions, identify variances between the two forecasts thereby establishing reasons for the variances. Also, a detailed summary, breaking down how the figures were arrived, will be provided by both agencies which will provide evidence for adjustments to the forecast and also assist with day to day duties for reporting actual results compared to forecast. This will allow the Customs and Border Control to take	for the variances. Also, a detailed summary, breaking down how the figures were arrived at, will be provided by both agencies which will provide evidence for adjustments to the forecast and also assist with day to day duties for reporting actual results compared to forecast. This will allow Customs and Border Control to take ownership of its forecast and explain any variances as they have more insight on how their revenues perform.	and Border Control and that consultation has resulted in the production of revenue estimates placed in the 2022-2023 Budgets. During the 2022-2023 budget period, the Revenue Unit will be expanded to include up to two (2) additional staff members who will assist with fully implementing this recommendation and will better enable the formation of a Revenue Committee.	report on the budgeting process.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
		ownership of its forecast and explain any variances as they have more insight on how their revenues perform. The Ministry of Finance will make recommendations to the Cabinet not later than 30 June 2019 on a substantive Concessions Policy governing how concessions are assessed, awarded, monitored and reported. <i>Planned implementation date:</i> 30 June 2019.			

Recommendation	Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
9. The Ministry of Finance and Economic Development should develop a formal, comprehensive concession policy and procedures that sets out consistent roles, responsibilities and accountabilities and includes criteria for the assessment of concession requests. (OAG)	The Customs Department was supporting the Ministry of Finance and Economic Development with the formulation of a comprehensive concession policy. CBC will continue this support until this objective is achieved. The Ministry of Finance will make recommendations to the Cabinet not later than 30 June 2019 on a substantive Concessions Policy governing how concessions are assessed, awarded, monitored and reported.	The Ministry of Finance and Economic Development, with input from Customs and Border Control, has drafted a comprehensive concession policy. The Ministry of Finance and Economic Development will make recommendations to the Cabinet not later than 31 October 2020 on a substantive Concessions Policy governing how concessions are assessed, awarded, monitored and reported.	The Ministry of Finance and Economic Development sent the draft Revenue Concession Policy to Caucus for its review on 11 October 2021 but, the review thereof was deferred. The Ministry will liaise with the Minister for Finance as to the timing of a presentation of the existing draft Revenue Concession Policy to Caucus: the Ministry expects that this will be possible by the 30 April 2022 and, subject to the extent of any changes suggested to the existing Policy by Caucus, a revised	Action planned to implement the recommendation. MFED has presented a draft concession policy to Caucus for review and plans to finalise a concession policy by July 2022. The OAG first recommended the development of a revenue concession policy in 2015 and MFED stated at that time that it would be implemented by 31 December 2016. Numerous updated timescales have been given for the implementation of this recommendation since then.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
		<i>Planned implementation date:</i> 30 June 2019.		Policy should be available for Cabinet's review by the 31 July 2022.	The PAC may wish to ask MFED about reasons for the delays.
10.	The Ministry of Finance and Economic Development should ensure that approval letters awarding concessions clearly specify the total value of concession awarded, types of goods covered by the concession, expiration date, any secondary beneficiaries to be covered by the concession, and any related conditions. (OAG)	The Ministry already has procedures in place which comply with most of the recommended information and will take action to address the gaps remaining. <i>Planned implementation date:</i> 30 June 2019.	The Ministry of Finance and Economic Development already has procedures in place which comply with most of the recommended information and will take action to address the remaining gaps by 31 October 2020.	Currently, this recommendation is being carried out/addressed in any letters that are issued which grant concessions.	It is not clear if the recommendation has been implemented. MFED has stated that it has implemented this recommendation. However, the OAG could not verify this as the sample concession approval letters provided covered specific invoices only. They did not cover wider concessions, for example, those awarded to developers. We are therefore unable to confirm if approved concessions now have a maximum value, end

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
					date or specify conditions to be met. The PAC may wish to ask MFED to clarify the approach that is taken for awarding larger concessions and confirm if the original OAG recommendation has been implemented.
11.	The Ministry of Finance and Economic Development should ensure that approved concessions are validated, monitored and reported upon, including the cumulative value of imported goods against the total value of the concession awarded, site visits for	The Ministry accepts that there are improvements needed to enhance the monitoring and reporting of concessions and will seek to address these concerns in the substantive Concessions Policy following consultation with Customs and Border Control.	The Ministry accepts that there are improvements needed to enhance the monitoring and reporting of concessions and will seek to address these concerns, by 31 October 2020, in the substantive Concessions Policy following consultations with Customs and Border Control.	The Ministry of Finance and Economic Development, via its Annual Report, provides details of concessions awarded that are processed by the Ministry. Such Annual Reports are Tabled in Parliament and become public information. The Ministry will encourage the	Recommendation partly implemented. MFED's 2020 annual report includes a summary of the number and value of concessions awarded. However, it is not clear whether MFED validates or monitors the assertions in concession application requests to ensure compliance with

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
	concession applications to validate the assertions in the request and to enhance compliance, and any conditions attached to approved concessions. (OAG)	<i>Planned implementation date:</i> 30 June 2019.		Minister for Finance to provide details of concessions granted via Ministerial statements to Parliament – and that this practice should start in the 2022 financial year.	any conditions attached to approved concessions. The PAC may wish to ask MFED for an updated response specifying when MFED will start validating and monitoring approved concessions.
12.	Customs and Border Control should develop an approach to ensure that it can monitor concessions effectively. (OAG)	As mentioned under recommendation No. 9, the Customs Department was supporting the Ministry of Finance and Economic Development with the formulation of a comprehensive concession policy. CBC will continue this support until that objective is achieved and recommendation	This is agreed. In the past the Customs Department, and now CBC, has worked with the Ministry of Finance and Economic Development to develop a concessions policy. The Ministry of Finance and Economic Development will make recommendations to the Cabinet not later than 31 October 2020 on a substantive Concessions Policy governing how concessions are assessed, awarded, monitored and reported.	<u>CBC response– December 2021:</u> CBC has provided its input to the Ministry of Finance to help inform the policy and the implementation thereof and is awaiting the finalisation of the policy. <u>MFED update – February 2022:</u>	Action planned to implement the recommendation. CBC cannot fully implement the recommendation until MFED develops a concessions policy. MFED has presented a draft concession policy to Caucus for review and plans to finalise a concession policy by July

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
		No 12 will be addressed during that process. <i>Planned implementation date:</i> 2019.		The Ministry of Finance and Economic Development sent the draft Revenue Concession Policy to Caucus for its review on 11 October 2021 but, the review thereof was deferred. The Ministry will liaise with the Minister for Finance as to the timing of a presentation of the existing draft Revenue Concession Policy to Caucus: the Ministry expects that this will be possible by the 30 April 2022 and, subject to the extent of any changes suggested to the existing Policy by Caucus, a revised Policy should be	2022. The OAG will keep this in review. The PAC may wish to ask CBC how it currently monitors concessions in the absence of a policy and what challenges it faces in doing this.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
				available for Cabinet's review by the 31 July 2022.	
13.	The Ministry of Finance and Economic Development should determine the level of the "tax gap", and should take appropriate actions to close any such gap. (OAG)	The Ministry of Finance accepts the recommendation. <i>Planned implementation date:</i> 31 December 2019.	The Ministry of Finance and Economic Development accepts the recommendation, and will address this matter when the 2022 and 2023 budgets are being formulated in the latter half of 2021.	No update provided.	No progress. The PAC may wish to ask MFED for an updated response specifying when MFED will implement the recommendation.
14.	Customs and Border Control should ensure that it has appropriate systems and processes in place to capture, analyse and use intelligence effectively. (OAG)	As CBC continues its transformation from the traditional gate keeper approach to an intelligence-led risk management organization, it will continually refine its business processes, intelligence and risk-	CBC Intelligence Unit utilizes and manages an intelligence data base that allows for easy input of information, research, and retrieval mixed with a variety of search options. This is supplemented with other subscribed data bases including other local access opportunities i.e. RCIPS, etc. There is a fusion of both human and artificial intelligence in the foundation of the	The Trade and Revenue Phase of CIMS will be completed as planned by the end of 2021. However as noted previously, the project scope was extended to include our Sister Islands	Recommendation in progress.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
		based strategies using a variety of techniques, technology, training and development in order to provide the best means of identifying and addressing threats at the earliest possible point. <i>Planned implementation date:</i> None given.	intelligence cycle, which is adapted to ensure that CBCIU products are of maximum value to all end users – CBC and other operational units. The focus and reliance on a broader spectrum of artificial intelligence will be bolstered by the development and use of CIMS as it is rolled out in its entirety in 2021.	operations and Border Management due to the merger. <u>CBC update – February 2022:</u> The Trade and Revenue phase of CIMS was further postponed due to a shift in priorities to accommodate the passenger module (goods and revenue collection) for the border reopening initiative as well as the integration of COLS and e-Services log in. It should also be noted that the Trade and Revenue Module has been developed with the exception of the Foregone	

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
				Revenue functionality and should be completed by the end of the first quarter in the 2022 fiscal year.	
15.	Customs and Border Control should reallocate staffing to ensure that high-risk areas are sufficiently resourced. (OAG)	This is already being done within the confines of limited resources and available funding for new staff. Planned implementation date: Ongoing.	Staff deployment will be carefully considered to maximize support in high risk areas while keeping aligned with CBC's Strategic Plan. CBC's plans to maximize its control of the border will require the deployment of a mix of resources, including personnel, tactical infrastructure, and technology. This will be ongoing during the 2020 – 2024 implementation planning period which CBC will regard as one of the top priorities.	CBC continues to rotate staff to ensure that sufficient resources are dedicated to the highest risks.	Recommendation implemented.
	The Committee endorses the 15 recommendations made by the Auditor General as set out in Appendix 3 of the OAG report and	N/A	See above for revised responses for each of the OAG's 15 recommendations.		See above.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
	encourages the Government and Customs and Border Control to implement these as soon as possible. (PAC)				
16.	The Committee is disappointed that despite the OAG and the Committee recommending in 2015 that a revenue concessions policy be put in place that this has not happened yet. The Committee notes that a policy has been drafted but is concerned that it may not be sufficiently detailed to provide the clarity and robustness to the process that is needed. The Committee urges the	N/A	The Ministry of Finance and Economic Development will seek to get the substantive Concessions Policy submitted to Cabinet, by 31 October 2020.	The Ministry of Finance and Economic Development sent the draft Revenue Concession Policy to Caucus for its review on 11 October 2021 but, the review thereof was deferred. The Ministry will liaise with the Minister for Finance as to the timing of a presentation of the existing draft Revenue Concession Policy to Caucus: the Ministry expects that this will be possible	Action planned to implement the recommendation. See comments at Recommendation 9.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
	Government to approve and implement this policy as soon as possible. (PAC).			by the 30 April 2022 and, subject to the extent of any changes suggested to the existing Policy by Caucus, a revised Policy should be available for Cabinet's review by the 31 July 2022.	
17.	The Committee recommends that the Government ensures that it is complying with the <i>Hotel Aid Law</i> when awarding concessions, or repeals this legislation. (PAC)	N/A	The Ministry of Finance and Economic Development will notify Cabinet if, in the view of the Ministry, any concession contemplated conflicts with the Hotel Aid Law (Revision), 1995.	The Ministry has not become aware of any concessions awarded or contemplated that is inconsistent with the Hotel Aid Act.	Recommendation implemented.
18.	The Committee recommends that the Government requests all recipients of concessions to	N/A	The Government accepts this recommendation and will carry-out the recommendation at every opportunity.	Placing the onus on the recipient of any concessions to comply with the conditions of an approved concession	Action planned to implement the recommendation.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
	provide regular updates on any conditions of concessions awarded and that these should be in electronic format. The Government should then monitor progress against these conditions and follow up with concession recipients as necessary. (PAC)			will be a part of the Policy to be presented to Caucus and Cabinet – as per the timeframes stated in the response to Recommendation 9.	See comments at Recommendation 9.
19.	The Committee recommends that the Ministry of Finance and Economic Development share approval letters for concessions with other government entities, such as WORC, so that the conditions can be monitored, followed up as necessary, and	N/A	The Government accepts this recommendation and will carry-out the recommendation at every opportunity.	The Ministry of Finance works closely with the Department of Customs and Border Control on import duty concessions. If a concession is approved with conditions attached that require monitoring actions by	Recommendation implemented.

Recommendation		Original management response to OAG recommendation (May 2019)	Updated response from Government Minute (August 2020)	Updated response (December 2021/ February 2022)	OAG comment (February 2022)
	monies clawed back if the conditions have not been met. (PAC)			other Government agencies the Ministry of Finance will share approval letters with the respective agencies and agree the monitoring protocol. There have been no recent approvals which have required this type of action.	
20.	The Committee recommends that the Government review duty rates to be paid and specifically considers basing alcohol and fuel duty rates on value rather than volume. (PAC)	N/A	The Cabinet accepts this recommendation – as evidenced by its acceptance to a Private Member’s Motion to have import duties on fuel and alcohol based on their values, rather than volume of imported fuel and alcohol.	No update	No progress. The PAC may wish to ask Cabinet for an updated response specifying when it will implement the recommendation.

APPENDIX 3 – SCHOOL EDUCATION (OCTOBER 2019)

The Public Accounts Committee (PAC) held three meetings to consider the report between 7th November 2019 and 7th February 2020. In its report (laid on the Table of the Legislative Assembly on 1st July 2020), the PAC concluded:

- Education is fundamental in shaping a child’s adult life. A good education is associated not only with higher income but also with better health and longer life expectancy. The social and economic costs of poor education are high and take many different forms, including increased criminality, lower rates of economic growth, higher unemployment, and lower participation in civic and political activities. Achieving “the best education opportunities for all our children” is one of the eight strategic outcomes of the Cayman Islands Government (the Government). The objective of the Office of the Auditor General’s audit was to determine how efficiently and effectively the Ministry of Education is using its resources to maximise student achievement.
- The PAC endorses the 18 recommendations made by the Auditor General as set out in Appendix 3 to the OAG report and encourages the Government to implement these as soon as possible.
- The PAC acknowledges that all teachers receive training on Caymanian culture as part of their induction but express concerns that teaching staff do not always appear to fully appreciate the national culture. The PAC recommends that the Ministry of Education should ensure that all teachers receive regular cultural sensitivity training.
- The PAC acknowledges that measures have been taken to protect the safety of students and teachers but is concerned that more could be done in this area. The PAC recommends that that Ministry of Education should formally consider the use of cameras in schools to further protect students and teachers.
- The PAC is concerned that private sector employers may not be investing in Caymanian talent or providing Caymanian staff with adequate access to scholarships. The PAC recommends that the role of the Education Council should be extended to cover the private sector and the scholarships they provide.

OAG comment on the Government response: The Government Minute was tabled in July 2020. As a result, the OAG obtained an update on progress from the Ministry of Education. The OAG requested updates from the Ministry of Education on 24th November 2021. The Ministry of Education responded on 17th December 2021.

The Government has made some progress in implementing the 21 recommendations made by the PAC and the OAG. Of the 21 recommendations, 11 have been implemented (52 per cent), and nine have been partly implemented. There has been no progress with one recommendation. Therefore, we have assessed the overall progress with implementing the recommendations as **Amber** (Some progress).

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
1. The Ministry of Education should monitor and publicly report, at least annually, progress against the broad outcomes and priorities set out in the Strategic Policy Statements. (OAG)	Recommendation accepted. Currently the Ministry monitors progress of the Broad Outcomes and priorities/objectives through monthly reporting from each of the Departments under the Ministry. Head of Departments (HoD) outline progress towards accomplishing each of the Strategic Objectives on a monthly basis. This progress is then discussed further at regular management meetings that include the Minister, Chief Officer, Deputy Chief Officers, and all HoDs. The Ministry will collaborate with HoDs to strengthen the monitoring framework even further. The Annual Report for the Ministry will be amended to include this format of	Recommendation accepted. Currently, the Ministry monitors progress of the Broad Outcomes and priorities/objectives through monthly reporting from each of the Departments under the Ministry. Heads of Departments (HoD) outline progress towards accomplishing each of the Strategic Objectives. The Annual Report for the Ministry will be amended to include this format of reporting which will be made available on the Ministry website.	The Ministry monitored the progress of the Broad Outcomes and priorities/objectives through monthly reporting from each of the Departments under the Ministry as well as through meetings. The Broad Outcomes changed with the introduction of the Strategic Policy Statement for 2022-2024. The objectives have been calendared (draft dates) and teams are currently conducting research and developing draft briefing papers for the Minister's consideration. Once approved these papers will become the starting point for Cabinet Papers. Implementation of these objectives will be monitored through scheduled internal quarterly reporting and will be featured in Annual Reports.	Recommendation in progress. Our review of the Ministry's 2021 Annual Report revealed that the Ministry monitors and publicly reports progress against the broad outcome and priorities in the Strategic Policy Statements. However, the link between the budgeted outputs in the Ministry's Budget Statements and the disclosures in its Annual report needs to be clearer. The PAC may wish to ask the Ministry how it

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
	reporting which will be made available on the Ministry website. Planned implementation date: In progress		The 2020 Annual Report included links to the Broad Outcomes and objectives however these will be further aligned in the upcoming Annual Report.	intends to make this link clearer in its Annual Reports.
2. The Ministry of Education should publish the Education Data Report on a timely basis, ideally by December of the same year of sitting exams. (OAG)	Recommendation accepted. The Education Data Report will be published by the end of December on an annual basis for government schools. Planned implementation date: December 2019	Recommendation accepted. The Education Data Report was published by the end of December in 2019 and it will continue to be published by December on an annual basis for government schools.	In 2019, the Annual Data Report was published in December 2019 in compliance with Recommendation 2 of the School Education audit report made by the Office of Auditor General (OAG) in October 2019. The 2020 release of the report would have been on-track for a similar release date. Unfortunately, the release was delayed due to unforeseen situational changes brought on by the prevalence of the COVID-19 pandemic. In March 2020, the various UK Examination Boards announced the cancellation of the June 2020 examinations series at centres in all jurisdictions. Candidates scheduled to sit examinations in	Recommendation implemented.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
			May/June 2020 were awarded a centre assessment grade, based on what the educational institution believed the student would most likely have achieved had the written exams been administered. The Caribbean Examinations Council (CXC) took a different approach in its response to the prevailing pandemic. The Board cancelled its normal examinations for the Caribbean Secondary Education Certification (CSEC) and Caribbean Advanced Proficiency Examinations (CAPE) schedule for the May/June 2020 series, but opted to use a modified approach to the examinations process. That is, examinations were offered in July/August 2020, but the number of written papers per subject was reduced to the minimum necessary to provide valid assessed grades. In 2020, the award of final grades was based on a moderated School Based Assessment (SBA) and the results from the administration of a Multiple-Choice Paper. The	

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
			exceptions to this process were Modern Languages (Spanish, French and Portuguese), Human and Social Biology, and Visual Arts. This adjustment to the administration of the examinations schedule by the CXC, led to a delay in the finalisation and distribution of results to the various territories until February 2021. Consequently the 2020 Annual Data Report, of which a critical component is the reporting on external examinations results (CSEC for Government High Schools), was released in February 2021. A similar approach to examinations administration was taken in the June 2021 examinations cycle by the UK Boards as was done in 2020. In addition, some boards provided an added option of sitting an actual paper if conditions in the jurisdiction permitted. The CXC after consulting with its stakeholders, opted to offer the full	

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
			suite of its examinations, but again delayed the start date of the administration until June 15th, 2021. These modifications will again delay the release of examination results. All currently known indicators point to a January 2022 release for the 2021 Data Report.	
3. The Ministry of Education should develop a new medium- to long-term education strategy. The Ministry should regularly assess and publicly report progress against the strategy. (OAG)	Recommendation accepted. The Ministry sees the importance of a strategic plan for education and previously drafted the process for developing a new strategic plan for the start of 2018. The Ministry will liaise with the Minister and Education Council on the development of a medium to long term strategy. The strategy will be linked to the 2020 Strategic Policy Statement. Regular monitoring and reporting will be included as a part of the strategy.	Recommendation accepted. The Ministry sees the importance of a strategic plan for education and previously drafted the process for developing a new strategic plan for the start of 2018. The Ministry has focused on the initiatives that will have the biggest impact on student performance. These have included, but not been limited to: • Development and implementation of a Science Strategy	Strategies have been drafted for the areas of: • Literacy (draft) • Numeracy (draft) • Science • Early Childhood Care and Education (draft) • ICT and Computer Science (draft) • TVET Strategies marked draft are currently undergoing editing based on feedback from the consultation process, and adjustments due to the impact of COVID-19 on the roll-out of the strategies. Therefore,	Recommendation in progress. The Ministry had started implementing the recommendation, but its response to the Covid-19 pandemic has hampered progress. The PAC may wish to ask for the Ministry's updated timelines to finalise the various strategies under development.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
	Planned implementation date: Resume planning an education strategy in October, 2019.	• Development and implementation of a Literacy Strategy • Development of a Draft Family Learning Strategy • Development of a Draft Early Childhood Care and Education Strategy Progress on this recommendation was stopped due to the pandemic. The Ministry focused on developing policy and guidance for distance learning, safety protocols, free school meals, care packets, etc. as a response to the pandemic. Focus was also placed on developing guidance on the safe return to schools in August 2020 as well as on strategies for overcoming learning loss. The Ministry will liaise with the Minister for Education and Education	the final documents may have significant changes. In March 2020 education was disrupted due to the COVID-19 Pandemic. The Ministry shifted focus to: • Health and safety of students • Remote learning processes (due to lockdown) • Reduction of learning loss • Accelerated learning once schools re-opened for in person learning Planned work for the Ministry was put on hold in order to prioritise our COVID response. The 2020-2021 academic year was focused on accelerated learning once schools re-opened for in person learning. Schools resumed for normal in-person learning in August 2021 and were disrupted again by the re-emergence of the COVID-19 virus	The PAC may also wish to ask the Ministry whether it plans to develop an over-arching education strategy based on its previous responses.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
		Council on the development of a medium to long term strategy. It is anticipated that work to progress new medium to long term education will restart in 2021.	in schools and the wider community. The Ministry again had to shift focus to developing COVID-19 Guidance for Educational Institutions, which included information on: • Scenario Protocols (steps educational institutions should take for a range of scenarios) • Health and safety precautionary measures • Health and safety mandatory guidance • Remote learning readiness assessment/guidance • Safeguarding guidance for children while in remote learning In addition, core Ministry personnel were a part of the planning processes of the Programme Board and assisted with the development of the Guidance for Deployment of Lateral Flow Tests - Early Childhood Care and Education (ECCEC)	

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
			Centres and Schools in the Cayman Islands. The Ministry also developed guidance on the use of lateral flow tests in schools and ECCE centres and partnered with the Ministry of Health and the HSA to distribute Lateral Flow Test kits for staff and students in line with the policy guidance. The focus on the COVID-19 response by the entire education sector - Ministry, Department of Education Services and schools - required a revision to the co-ordinated roll-out of the initiatives, which would allow the critical components of the strategies to be implemented that most significantly impact student outcomes, without overwhelming schools that were immersed in the COVID-19 response.	
4. The Ministry of Education should include private	Recommendation accepted. Currently the Ministry collects and analyses data	Recommendation accepted. Currently the Ministry collects and analyses data	Draft strategies, currently in the editing phase (listed in recommendation 3), are national	Recommendation implemented.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
school student numbers in its student projection planning. The projection planning should be used to inform other medium- to long-term plans. (OAG)	from private schools through the grant process. This includes data on enrolment, gender, age, nationality to name a few. The Ministry will review its processes for private school data collection and analysis to strengthen student projection planning. This data will then be utilised to inform overall medium to long term planning. Planned implementation date: Review of process around private school data collection and analysis began in August, 2019.	from private schools through the grant process. This includes data on enrolment, gender, age, nationality to name a few. The Ministry will review its processes for private school data collection and analysis to strengthen student projection planning. This data will then be utilised to inform overall medium to long term planning.	strategies that take into consideration public and private schools (as well as ECCE centres where relevant). Private school student numbers are also included when considering the need for additional schools, COVID-19 responses including the provision of Lateral Flow Tests (LFTs), and future inclusion of private school data in the National Data Report.	
5. The Ministry of Education should develop a long-term financial plan that is underpinned by the Capital Projects Master	Recommendation accepted. The Ministry views this as an essential foundation for the development of a strategic plan for education. Whilst much of this data is currently collated and analysed by the Ministry a	Recommendation accepted. The Ministry views this as an essential foundation for the development of a strategic plan for education. Whilst much of this data is currently collated and analysed by the Ministry, a	The Ministry continues to collate, analyse and utilise a range of data sets that inform policy and strategy development. Data also forms the basis of the development of education frameworks, e.g. TVET Framework.	Limited progress. The Ministry's response states that this work was put on hold and should resume in 2022 but it

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
Plan, student population projects and workforce plans, and that supports the delivery of the education strategy. (OAG)	more comprehensive data collection and analysis process can be developed for financial planning. Planned implementation date: Resume planning an education strategy in October, 2019.	more comprehensive data collection and analysis process can be developed for financial planning.	As a part of the budget process for the period 2022-2023, the Ministry considered the Broad Outcome and objectives of the Strategic Policy Statement, capital needs, personnel needs, operational needs, etc. This process includes an examination of: - Existing funded projects that may have concluded, - Existing funded projects that, if ineffective, need to be revamped, - New project needs A long-term financial plan is linked to strategic planning for education. This work was delayed due to the re-shift of focus from the Ministry level on COVID-19 protocols, health and safety measures and distribution of lateral flow test kits to ECCE Centres and schools. This work should resume in 2022.	does not give a specific implementation date. The PAC may wish to ask the Ministry for updated timelines to develop a long-term financial plan.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
6. The Ministry of Education and Department of Education Services should ensure that there is effective engagement with all stakeholders in the development of strategies, and that policies and changes are communicated well in advance of implementation dates. (OAG)	Recommendation accepted. The Ministry will continue to prioritise stakeholder engagement and effective communication. There is currently a process for consultation/communication that is utilised in the Ministry when new initiatives are introduced however, the Ministry will review work to strengthen this process. Planned implementation date: Immediately.	Recommendation accepted. The Ministry will continue to prioritise stakeholder engagement and effective communication. There is currently a process for consultation/communication that is utilised in the Ministry when new initiatives are introduced.	All policies and strategies go through a consultation process with internal and/or external stakeholders. This is documented on a consultation and communication checklist that outlines the consultation types utilised, the groups or individuals with which consultation took place and the communication method utilised.	Recommendation implemented.
7. The Scholarships Secretariat should start to collect, analyse and report information on all scholarships annually to better demonstrate how scholarship funding is	Recommendation accepted. Currently, the scholarships database includes information on all scholarships awarded annually, majors and destinations/countries and institutions of study. This information is provided to ESO and other interested parties upon request. What	Recommendation accepted. Currently, the scholarships database includes information on all scholarships awarded annually, majors and destinations/countries and institutions of study. This information is provided to ESO and other interested parties upon request. What	The scholarships database includes information on all scholarships awarded annually, majors and destinations/countries and institutions of study. The ESO receives data from the Scholarship Secretariat and this information is published as part of the Education, Health, Social and Protective Statistics.	Partly implemented. The scholarships database contains some data but it does not yet include data on destinations. Student tracking data is necessary to determine if the students obtain employment in their

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
achieving its intended purpose and contributing to economic priorities. The data collected should include the subjects and courses funded and the destinations of scholarship recipients. (OAG)	is currently not available is the follow-up post qualifications. It is the plan for the Scholarship Secretariat to improve student tracking, upon their completion of their studies, to determine if they are finding employment in the areas of major, if the education received compliments the professional requirements and also to record feedback on the experiences at the various institutions of learning. Planned implementation date: Process to begin in January, 2020.	is currently not available is the follow-up post qualifications. It is the plan for the Scholarship Secretariat to improve student tracking upon their completion of their studies, to determine if they are finding employment in the areas of their major, if the education received compliments the professional requirements, and also to record feedback on the experiences at the various institutions of learning.		chosen professions. The Scholarship Secretariat should use this to advise future scholarship recipients on potential career paths and measure the impact and outcomes of the scholarship programme. The PAC may wish to ask for the Scholarship Secretariat's plans to improve tracking of student upon completing their studies to determine if students are in employment and in their chosen career paths.
8. The Government should identify and implement strategies to encourage beneficiaries to	Recommendation accepted. This recommendation requires collaboration & information from a range of agencies including but not limited to WORC, the	Recommendation accepted. This recommendation requires collaboration & information from a range of agencies including, but not limited to, WORC, the	The economic priorities of the PACT government, as outlined in the Strategic Policy Statement 2022-2024, shows an expectation that the construction sector will be the leader in the economic	Recommendation implemented.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
undertake courses that are aligned to current and projected work permit needs. (OAG)	Education Council and Immigration. Planned implementation date: Process to begin in January, 2020.	Education Council and Immigration. Currently a post-16 Education Strategy is being developed and is due to be completed by the end of 2020.	recovery of the Cayman Islands followed by the financial services industry. Both of the sectors are well supported by the areas of study broadly covered under ‘Social & Business Studies’ and ‘Engineering, Technology & Science’ which represent collectively, over 50% of the scholarships award for overseas study. Annual reporting for 2020/2021 academic year on student enrolment for UCCI, as provided to the Ministry of Education, shows the business and accounting majors contributing to 38% of the associate degree level students and 54% of the Bachelor’s level students. There is also a steady increase in the number of students accessing TVET courses for certification and other TVET short skills-based courses such as plumbing, electrical, electro-technology, air-condition and refrigeration. An additional \$5,000 KYD was introduced for the 2021/2022 academic year as an incentive for	

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
			individuals pursuing classroom teaching at the undergraduate level. This was implemented in recognition of the ratio, by nationality, of the number of classroom teachers in the public school system that reflects about 70% non-Caymanian in the local classrooms. There is also a medical specialization scholarship, available since 2018, which is funded through the Ministry of Health but administered by the Scholarship Secretariat. This scholarship seeks to facilitate training for qualified doctors in specialties that are of need in the Cayman Islands. This scholarship funding allows for successful applicants to receive quarterly stipends as a percentage of their salary for the duration of their studies, if they are relocating to complete the required specialisations.	
9. The Ministry of Education should develop a national	Recommendation accepted. The Ministry and the Department of Education	Recommendation accepted. The Ministry and the Department of Education	At the compulsory education level, TVET is integrated into the national school curriculum. However, TVET	Recommendation in progress.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
strategy for Technical and Vocational Education and Training (TVET) that takes into account the Government's economic priorities and the current and future needs of employers. (OAG)	Services currently plans for TVET as outlined in the annual Plan of Action documents prepared by each school. The high schools and CIFEC also offer a range of TVET programmes including class, apprenticeships and internships. The Ministry would include TVET as a focus area in the broader education strategy to help to ensure TVET forms part of compulsory education. A specific TVET strategy will also be developed. Planned implementation date: Process to begin in January, 2020.	Services currently plans for TVET as outlined in the annual Plan of Action documents prepared by each school. The high schools and CIFEC also offer a range of TVET programmes including curricular subjects, apprenticeships and internships. The Education Council currently has a working group that is developing a draft TVET Strategy.	is more defined at the secondary level. At Key Stage 3 (KS3) most students are exposed to the visual and performing arts subjects such as art, drama and music. TVET options in private schools are limited in comparison to government schools. However, some of the larger private schools offer a few TVET subjects at Key Stage 4 (KS4). Students in each of the government secondary schools are offered at least eleven TVET subjects at KS4. Programmes and results are varied, ranging from Level 2 pass rates of above 90% in some subject areas. At the post-compulsory level students have several TVET options including courses with apprenticeships and internships. Some of the TVET programmes available are offered by government organisations, others by the private sector and some are offered as a result of public-private partnerships. They cater to individuals wanting to pursue technical and vocational careers in	The Ministry has started implementing the recommendation, but its response to the Covid-19 pandemic has hampered progress. The PAC may wish to ask for the Ministry's updated timeline to finalise the TVET strategy.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
			a range of sectors including: hospitality and tourism, construction, plumbing, electrical and carpentry, automotive, IT services, air conditioning and other large machinery servicing, water sports and beauty services among others. A working group was convened that consisted of civil service, public sector and private sector individuals. A TVET Framework was drafted by the working group.	
10. The Ministry of Education should develop and document a clear rationale for the provision of funding to private schools that clearly specifies the purpose of the funding and the outcomes the Ministry expects	Recommendation accepted. The current funding model for private schools is a historical one. The Ministry is currently reviewing the funding model for private schools. Planned implementation date: Process began in September, 2019.	Recommendation accepted. The funding model has been changed to a grant programme for all schools. This approach was supported at the last Finance Committee in 2019. The previous, historical funding model provided funding for schools that were only a part of the private school association and did not differentiate between non-profit and for-	In 2021, the Cayman Islands Government took the decision to reinstate the Purchase Agreement between the Ministry of Education and all current (19) private schools. A framework has been developed for this funding and outlines the main objectives as follows: The grant to private schools aims to do the following: To allow those private schools who are struggling financially,	Recommendation implemented.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
to be delivered. (OAG)		profit schools. The new grant model is open to all schools (private and public). Schools can apply for funding for specific projects (e.g. those linked to school improvement).	to obtain improved financial stability and support improvement at the school. • To allow those private schools that are already financially strong to obtain extra funding to possibly implement needed projects at the school. The funding can be used towards operational costs and/or special projects. The funding cannot be used towards: • dividend payments to owners/shareholders and any other similar payments, • payments or salaries to school board members, • bonus payments to owners/shareholders or board members, • profits for the school • any type of travel or per diems for travel for staff/owners/shareholders/board members, etc.	

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
			Quality measures are outlined in the 2022 and 2023 Purchase Agreements. Given the reinstatement of funding for private schools, the grant identified in the previous update was then targeted for public schools. An application process was developed, a grant committee was identified (including members from the Education Council), and applications were received and reviewed in December, 2021. This process was slightly delayed due to a re-shift of focus from the Ministry level on COVID-19 protocols and health and safety measures.	
11. The Ministry of Education should ensure that it takes corrective action, where monitoring	Currently the Ministry does not release funding unless there is compliance. The Ministry is also currently reviewing the funding model for private schools.	This process was already in place and was strengthened. Schools that were not in compliance with the requirements did not receive their funding. This	Compliance measures are included in the Private Schools' Grant Framework. 'If schools do not meet the requirements of the purchase	Recommendation implemented.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
identifies a lack of compliance by private schools against the terms and conditions specified in the Purchase Agreements. (OAG)	Planned implementation date: Process began in September, 2019.	will no longer be an issue with the new funding model for grants.	agreement they will not be given their funding save and except exceptional circumstances are communicated to the Ministry of Education in writing, prior to the deadline. An extension may be granted for a period up to twenty-one (21) days by the said Ministry. In any event no funding shall be disbursed until there is compliance of the said purchase agreement.'	
12. The Government should specify clear outcomes and success measures for education as part of the budgeting process, and should ensure that performance against these is monitored and publicly reported. (OAG)	Recommendation accepted. The Ministry currently collects a range of data and can work to strengthen the collation and analysis process in order to better ascertain value for money for both public and private schools. This process should include collation and analysis of data including, but not limited to, cost per student, student/teacher ratios, number of students with special educational needs and/or disabilities (SEND), cost of	Recommendation accepted. The Ministry currently collects a range of data and can work to strengthen the collation and analysis process in order to better ascertain value for money for both public and private schools. This process should include collation and analysis of data including, but not limited to, cost per student, student/teacher ratios, number of students with special educational needs and/or disabilities (SEND), cost of	The Strategic Policy Statement outlines the Broad Outcome and objectives for education. The Ministry of Education focuses its work plans on those objectives along with other critical education projects. Currently this process is specified and monitored through the development of decision-making briefing notes, frameworks, strategies, and policies. The Ministry has developed a quarterly reporting process. The annual report will also be aligned	Recommendation in progress. Please see our updated comment on recommendation 1 above.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
	provision/resources for students with SEND, before and after-school school care, transportation, and medical/therapeutic costs. The analysis will also include links to student performance where applicable. From this process outcomes and success measures can be developed, monitored and publicly reported. Planned implementation date: Process to begin in February, 2020.	provision/resources for students with SEND, before and after-school school care, transportation, and medical/therapeutic costs. The analysis will also include links to student performance where applicable. From this process outcomes and success measures can be developed, monitored and publicly reported. Progress on this recommendation was stopped due to the pandemic. The Ministry focused on developing policy and guidance for distance learning, safety protocols, free school meals, care packets, etc. as a response to the pandemic. Focus was also placed on developing guidance on the safe return to schools in August 2020 as well as on strategies for overcoming learning loss. It is	to report outcomes of the identified objectives and other education related matters.	

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
		anticipated that work to progress this recommendation will restart in 2021.		
13. The Ministry of Education should calculate, analyse and review the cost per student across all public schools on a regular basis. It should benchmark these costs with the private schools and with comparable countries regionally or internationally in order to inform decision making. (OAG)	Recommendation accepted. Management response as above (#12) with comparison to regional and international costs. The Ministry views this as particularly important as the cost per student for Government students is higher than that of private school students. This analysis will be able to identify the reasons for the difference in costs which will include the fact that public schools have the majority of students with special education needs and/or disabilities (not only in Lighthouse school but in all schools) and therefore spends a significant amount on provision and resources	Recommendation accepted. Management response as above (#12) with comparison to regional and international costs. The Ministry views this as particularly important as the cost per student for Government students is higher than that of private school students. This analysis will be able to identify the reasons for the difference in costs which will include the fact that public schools have the majority of students with special education needs and/or disabilities (not only in Lighthouse school but in all schools) and therefore spends a significant amount on provision and resources	Preliminary work on cost-per-student analysis was conducted in September, 2021. Basic costs per student were calculated for public schools solely based on the allocation for each school. Further work is planned to include a truer reflection of the cost-per-student in the public schools and will include cost associated with but not limited to: • Inclusion Support Services • Special Needs Support Services • Department of Education – Administration (which included costs such as Maintenance, Janitorial, Transportation, Security) Public schools admit all students and there are not academic admissions tests required. The proportion of students with special education needs is higher in public	Work started but not yet complete. The Ministry has started to take action but still has work to do to calculate the full cost per student, and benchmark costs with the private sector. The PAC may wish to ask for an updated timeline to implement the recommendation fully.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
	to meet these needs. Government also spends considerably more on therapeutic/medical services for students, transportation and before/after school care to name a few. If possible, broader impacts of Government funding should be analysed for example, the Government provides bus transport for approximately 5,000+ students in public schools, whilst the majority of private schools do not utilise bus services for the 4,000+ students. The cost of additional traffic, impact on the environment, etc. should be considered. Planned implementation date: Process to begin in February, 2020.	to meet these needs. Government also spends considerably more on therapeutic/medical services for students, transportation and before/after school care to name a few. If possible, broader impacts of Government funding should be analysed for example, the Government provides bus transport for approximately 5,000+ students in public schools, whilst the majority of private schools do not utilise bus services for the 4,000+ students. The cost of additional traffic, impact on the environment, etc. should be considered. Progress on this recommendation was stopped due to the pandemic. The Ministry focused on developing policy and guidance for distance learning, safety protocols, free school meals,	schools and therefore the cost associated with adequate provision is also considerable higher. Although preliminary work on this recommendation was started, the more detailed costing was delayed due to the re-shift of focus from the Ministry level on COVID-19 protocols, health and safety measures and distribution of lateral flow test kits to ECCE Centres and schools.	

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
		care packets, etc. as a response to the pandemic. Focus was also placed on developing guidance on the safe return to schools in August 2020 as well as on strategies for overcoming learning loss. It is anticipated that work to progress recommendation will restart in 2021.		
14. The Ministry of Education and Department of Education Services should develop strategies to improve education attainment at all levels. These should include closing gaps in attainment and between genders by improving the attainment of lower-performing	Recommendation accepted. One of the main focuses of the Ministry of Education and the Department of Education Services has been to improve student performance (progress & achievement) including our most vulnerable students as well as our higher-performing students. Strategies utilised thus far include but are not limited to: Standardizing assessment types and	Recommendation accepted. One of the main focuses of the Ministry of Education and the Department of Education Services has been to improve student performance (progress & achievement) including our most vulnerable students as well as our higher-performing students. Strategies utilised thus far include but are not limited to: Standardizing assessment types and	The Ministry of Education and the Department of Education have worked closely with schools to improve standards since the baseline school inspections. Since that time all, but one, public school is rated satisfactory or better. This year we have three schools rated as good (2 high schools and the Lighthouse School). It should be noted that public schools accept students with a range of abilities and special needs and do not have any attainment entry requirements as is the case with some private schools.	Recommendation in progress. The Ministry has started implementing the recommendation, but its response to the Covid-19 pandemic has hampered progress. The PAC may wish to ask for the Ministry's updated timeline to finalise documented strategies.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
students while continuing to motivate higher-performing students to do even better. (OAG)	procedures across all government schools • Developing, in collaboration with school principals and staff, plan of actions that focus on literacy, numeracy, science, SEND, data, and TVET • Reviewing data with each individual school, each term to identify issues with performance and implement strategies for student improvement – this includes a cross analysis of teachers’ performance management scores and class performance • Regular monitoring of the plan of action for each school • Introduction of literacy interventions e.g. Reading Recovery • Introduction of numeracy interventions	procedures across all government schools • Developing, in collaboration with school principals and staff, plan of actions that focus on literacy, numeracy, science, SEND, data, and TVET • Reviewing data with each individual school, each term to identify issues with performance and implement strategies for student improvement – this includes a cross analysis of teachers’ performance management scores and class performance • Regular monitoring of the plan of action for each school • Introduction of literacy interventions e.g. Reading Recovery • Introduction of numeracy interventions	Currently there are 5 private schools rated as weak and there will need to be some focus on those schools. Due to the pandemic, priority was placed on the development of an Education Recovery Plan for each school that targeted health & wellbeing (including mental health), reducing learning loss after the pandemic and accelerating learning. A number of strategies have been drafted, consulted on and implemented to improve education attainment. • Attainment Strategy • Literacy Strategy • Numeracy Strategy • Science Strategy • ICT Strategy • Additional Learning Support Strategy • Weak Inspection Policy and Guidelines	

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
	e.g. Mathematics Recovery - Increasing specialist and support staff to assist students with SEND - Ensuring all primary schools have a Special Education Needs Coordinator (SENCo) - Ensuring students have access to a range of enrichment programmes to help support the development of whole child, such as, flight clubs, robotic clubs, culinary programmes, music programmes, sports programmes, and cultural programmes The Ministry will continue to build on the initiatives implemented to improve student progress and achievement and will seek to provide further research-based initiatives that target	e.g. Mathematics Recovery - Increasing specialist and support staff to assist students with SEND - Ensuring all primary schools have a Special Education Needs Coordinator (SENCo) - Ensuring students have access to a range of enrichment programmes to help support the development of the whole child, such as, flight clubs, robotic clubs, culinary programmes, music programmes, sports programmes, and cultural programmes The Department of Education Services, in consultation with the Ministry and Schools, have drafted an Attainment Strategy which will be implemented in the 2020-	National School Attendance Policy The Student Attainment Strategy has been adapted to consider implications from COVID-19. The strategy is being implemented and a number of key elements of the plan have started. The complete roll-out of the plan has been impacted by the COVID-19 response in September 2021, however, the progress on the implementation will be evidenced through the data meetings with principals and their interpretation and responses to the student attainment data in their schools; action plans are developed annually, and a key aspect impacting the plans is the attainment data. The strategy is a living document and will be updated as the data is analysed and individual school and system needs are assessed.	

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
	the specific needs to students in public schools. Planned implementation date: Immediately.	2021 academic year. The Ministry will continue to build on the initiatives implemented to improve student progress and achievement and will seek to provide further research-based initiatives that target the specific needs to students in public schools.	As part of the 2022 planning process, the Department of Education Services (DES) will be developing a Plan to focus on additional strategies to 'Move Schools from Satisfactory to Good/Excellent'. The Ministry of Education and the Department of Education have placed significant focus on getting Government schools that were previously rated 'Weak' to at least a 'Satisfactory' rating from the Office of Education Standard. This has resulted in only one Government School, Joanna Clarke Primary (JCPS), still rated as 'Weak' based on the school's last inspection follow-through report (October 2019). The principal and staff have been working diligently to ensure that they will achieve a rating of 'Satisfactory' or 'Good' when next inspected.	
15. The Ministry of Education and Department of	Recommendation accepted. The Ministry has introduced the National Curriculum for	Recommendation accepted. The Ministry has introduced the National Curriculum for	The Ministry and DES purchased the FFT Aspire platform which allows for comparison of student	Recommendation implemented.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
Education Services should systematically benchmark student performance internationally and publicly report the results. (OAG)	England (with slight modifications) in all government primary schools for September, 2019. Assessments and data tracking systems will also be UK based making comparisons more accurate. Planned implementation date: September 2019.	England (with slight modifications) in all government primary schools in September 2019. New assessments and data tracking systems have been utilized that make comparisons more accurate. There were interruptions to the end of year assessments for 2020 due to the pandemic. It is anticipated that end of year assessments will resume in the 2020-2021 academic year.	performance data with the UK and some Caribbean countries. The system allows for benchmarking, target setting and is user-friendly therefore reducing workload of teachers & principals. Features • Reports and dashboard for schools, DES and MoE • Estimates and predictions of future performance for students • Set challenging and aspirational targets for students • Identify strengths and areas for improvement • Benchmark school performance • Monitor and track progress for students • Match and process student data • Compare performance to other schools • Measure value-added student progress in all subjects Benefits:	The Ministry of Education has taken steps to implement the recommendation. However, the assessment processes in the UK and Caribbean changed as a result of COVID-19. Therefore, the Ministry of Education could not obtain comparative data for the 2020-2021 academic year.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
			• Dashboard reports analysing school performance and education data • Analyse data for student, school and groups of schools • Aggregate reports analysing performance • Value-added analysis of education performance (results and student progress) • Estimates (predictions) of future performance to help set challenging targets • Improve school performance • Raise student achievement • Data processing: collect, match and process student data • Data is synchronised from schools' Management Information Systems (MIS) with FFT's national datasets With the change of assessment processes in the UK and Caribbean as a result of COVID-19, it has not been possible to attain comparative data for the 2020-2021 academic year.	

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			The Ministry of Education implemented a new curriculum for Government primary schools in August, 2019. The curriculum is based on the National Curriculum for England, with some adaptations for the Cayman context. This enables students to study the same content as their peers in England and allows them to be prepared for comparable exams. The secondary curriculum was implemented in September, 2021 for Year 7 students in Government high schools. The secondary curriculum will be implemented utilising a phased approach, allowing previous Year 6 students to continue studies in high school with the National Curriculum for England. The phased approach also ensures that studies are not disrupted for students who have already started a CXC syllabus. The Ministry of Education has entered into a Memorandum of Understanding (MOU) with the Department of Education, England	

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			to administer their Key Stage examinations in Government schools. This provides opportunity for our examination results to be directly compared to the results of the same age group for the same curriculum.	
16. The Department of Education Services should develop and implement a policy on reducing truancy rates. The policy should specify strategies for targeting the efforts of truancy officers to schools with the highest truancy rates; and ensure that sufficient resources are available to effectively manage and	Recommendation accepted. Student attendance data for government schools is currently monitored by the Ministry and the Department of Education Services. A truancy policy will be developed. Planned implementation date: Policy development process to begin in October, 2019.	Recommendation accepted. Student attendance data for government schools is currently monitored by the Ministry and the Department of Education Services. A truancy policy has been developed by the Department of Education Services and has been implemented for Government schools.	An attendance policy has been developed by the Department of Education Services and has been implemented for Government schools. It includes information on truancy.	Recommendation implemented.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
reduce truancy levels. (OAG)				
17. The Ministry of Education should develop clear strategies and policies for focusing on the areas that are known to positively affect student attainment, including teacher quality, the use of data and parental engagement. (OAG)	Recommendation accepted. One of the main focuses of the Ministry of Education and the Department of Education Services has been to improve student performance (progress & achievement), especially for our most vulnerable students. The Ministry has provided a range of professional development training opportunities (mandatory and optional) for education staff (including principals, teachers and support staff) that is specifically focused on improving teacher pedagogy and raising student attainment. The Ministry has also focused on strategies linked	Recommendation accepted. One of the main focuses of the Ministry of Education and the Department of Education Services has been to improve student performance (progress & achievement), especially for our most vulnerable students. The Ministry has provided a range of professional development training opportunities (mandatory and optional) for education staff (including principals, teachers and support staff) that is specifically focused on improving teacher pedagogy and raising student attainment. The Ministry has also focused on strategies linked to the 2008 meta-study by	The update remains the same as the previous update.	Recommendation implemented.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
	to the 2008 meta-study by John Hattie (Visible Learning) which looks at the effect size of a range of factors that influence learning outcomes in schools. The Ministry and the Department of Education Services have focused on strategies that have the most impact on student progress and achievement. Termly reviews of individual student data, class data, school data and performance management score have led to the implementation of a range of improvement measures being implemented in schools, by the Department and Ministry. The Ministry recognises that more work needs to be done to document all the improvement strategies that	John Hattie (Visible Learning) which looks at the effect size of a range of factors that influence learning outcomes in schools. The Ministry and the Department of Education Services have focused on strategies that have the most impact on student progress and achievement. Termly reviews of individual student data, class data, school data and performance management score have led to the implementation of a range of improvement measures in schools, by the Department and Ministry. The Ministry will continue to build on the initiatives implemented to improve student progress and achievement and will seek to provide further research-		

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	are in place whilst considering the balance between being inundated with paper work and providing sufficient evidence of the strategies. The Ministry will continue to build on the initiatives implemented to improve student progress and achievement and will seek to provide further research-based initiatives that target the specific needs of students in public schools. Planned implementation date: Immediately.	based initiatives that target the specific needs of students in public schools.		
18. The Ministry of Education should develop a national strategy for students with Special Educational Needs (SEN) that clearly sets out what it trying to achieve.	Recommendation accepted. The Ministry and the Department of Education Services currently plans for SEND provision as outlined in the annual Plan of Action documents prepared by each school.	Recommendation accepted. The Ministry and the Department of Education Services currently plans for SEND provision as outlined in the annual Plan of Action documents prepared by each school.	A new Cayman Islands' Code of Practice for the Identification, Assessment and Provision for Additional Learning Support Needs in Education (the Code of Practice) was developed and implemented. The Code of Practice is for all children with additional learning	Recommendation implemented.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
The strategy should include a framework for measuring, assessing and reporting how the investment in SEN is contributing to improved outcomes such as the attainment performance of SEN students; and determining how SEN funding is targeted at primary and secondary levels. (OAG)	The Ministry would include SEND as a focus area in the broader education strategy. A specific SEND strategy will also be developed. This is of particular importance as public schools have higher numbers of students with SEND than private schools and over the past few years there has been an increase in resources and provision to support students with SEND. Planned implementation date: Enhanced data collection process began in August, 2019 to include data from private schools. Process for the development of an SEND strategy to begin in January, 2020.	The Ministry would include SEND as a focus area in the broader education strategy. A specific SEND strategy will also be developed. This is of particular importance as public schools have higher numbers of students with SEND than private schools and over the past few years there has been an increase in resources and provision to support students with SEND.	support needs, including special educational needs and disabilities. This Code of Practice outlines a clear consistency of approach to meeting all additional learning support needs, including special educational needs and disabilities. This places the rights of children with additional learning support needs, including special educational needs and disabilities at the centre of the process, allowing them to be heard, and to participate in decisions regarding their education. The focus is on high-quality teaching and a continuum of meaningful and appropriate additional learning support to ensure that children's additional learning support needs are identified as quickly as possible, assessed, and that early action is taken to meet those needs.	

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			In addition to the Code of Practice, the following documents are in the development/draft stage: • National Special Educational Needs and Disability Policy for Children and Young People in Education • National Additional Learning Support Needs Strategy • Learning Support Classes – Support for mild intellectually challenged students in the mainstream • Autism Spectrum Disorder Provision	
19. The Committee acknowledges that all teachers receive training on Caymanian culture as part of their induction but express concerns that teaching staff do not always appear to fully appreciate the national		Recommendation accepted. Currently, the Ministry provides cultural sensitivity training for all new overseas recruits. Reminders and additional guidance can be provided throughout the academic year. An annual cultural sensitivity session can be arranged.	Workshops and training for newly recruited non-Caymanian teachers are held which focus on Caymanian culture. This includes a role-play workshop and address potential cultural issues that our students may face. Training sessions on behaviour also include a focus on culture.	Recommendation implemented.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
culture. The Committee recommends that the Ministry of Education should ensure that all teachers receive regular cultural sensitivity training. (PAC)				
20. The Committee acknowledges that measures have been taken to protect the safety of students and teachers but is concerned that more could be done in this area. The Committee recommends that the Ministry of Education should formally consider the use of cameras in schools to further		The Ministry of Education and the Department of Education Services recognise that this is a critical area of concern. Work has commenced to research the logistics and implications for instituting cameras in schools. The Ministry and Department commit to engaging in the necessary stakeholder engagement; and risk, budgetary, data protection and child protection analysis to move this matter forward.	The progress on this initiative was delayed due to the re-shift of focus from the Ministry level on COVID-19 protocols, health and safety measures and distribution of lateral flow test kits to ECCE Centres and schools.	Recommendation in progress. The PAC may wish to ask the Ministry for an updated timeline to implement the recommendation fully.

Recommendation	Original management response to OAG recommendation (October 2019)	Government response (24 July 2020)	Government update (December 2021)	OAG comment (February 2022)
protect students and teachers. (PAC)				
21. The Committee is concerned that private sector employers may not be investing in Caymanian talent or providing Caymanian staff with adequate access to scholarships. The Committee recommends that the role of the Education Council should be extended to cover the private sector and the scholarships they provide. (PAC)		Recommendation accepted. This is an issue being explored by the Education Council.	Preliminary works on this started by the Education Council. The Council also focused on streamlining the current Government scholarship process. Members from the Education Council also served on a TVET taskforce that has put forward a TVET framework.	Recommendation in progress. The PAC may wish to ask the Ministry for updated timelines to implement the recommendation fully.

Contact us

Physical Address:

3rd Floor Anderson Square
64 Shedden Road, George Town Grand Cayman

Business hours:

8:30am - 4:30pm

Mailing Address:

Office of the Auditor General
P. O. Box 2583 Grand Cayman KY1- 1103
CAYMAN ISLANDS
Email: auditorgeneral@oag.gov.ky
T: (345) 244 3211 Fax: (345) 945 7738

Complaints

To make a complaint about one of the organisations we audit or about the OAG itself, please contact Katrina Thomas at our address, telephone or fax number or alternatively email: katrina.thomas@oag.gov.ky

Freedom of Information

For freedom of information requests please contact Katrina Thomas at our address, telephone or fax number. Or alternatively email: foi.aud@gov.ky

Media enquiries

For enquiries from journalists please contact Angela Cullen at our phone number or email: Angela.Cullen@oag.gov.ky



February 2022