PARLIAMENT

OF THE CAYMAN ISLANDS

2022-2023 Session

REPORT

of the

STANDING

PUBLIC ACCOUNTS COMMITTEE

on the Report of the
Office of the Auditor General:
Government's Shift to Online Services (June 2022)

Laid on the Table of Parliament on this day of 2023

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REPORT OF THE STANDING PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE OFFICE OF THE AUDITOR GENERAL "GOVERNMENT'S SHIFT TO ONLINE SERVICES (JUNE 2022)"

1. REFERENCE

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

Government's Shift to Online Services (June 2022)

2. DOCUMENT CONSIDERED

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

Government's Shift to Online Services (June 2022)

3. CHAIRMAN AND MEMBERS OF THE COMMITTEE

The following Members of Parliament are the present Members of the Standing Public Accounts Committee:

- Hon. Roy M. McTaggart, JP, MP - Chairman
- Ms. Heather D. Bodden, OCI, Cert. Hon., JP, MP
- Ms. Barbara E. Conolly, JP, MP
- Mr. Joseph Hew, MP
- Mr. Isaac D. Rankine, MP
- Mr. Dwayne S. Seymour, JP, MP

4. MEETINGS OF THE COMMITTEE

The Committee held five (5) meetings to consider this Report on:

- 22nd June, 2022 *(Administrative Meeting)*
- 19th October, 2022 *(Administrative Meeting)*
- 20th October, 2022 *(Hearing)*
- 16th November, 2022 *(Administrative Meeting)*
- 1st March, 2023 *(Administrative Meeting)*

5. ATTENDANCE OF MEMBERS

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

6. PERSONS IN ATTENDANCE

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

- Mrs. Sue Winspear –Auditor General, Office of the Auditor General
- Ms. Angela Cullen – Deputy Auditor General (Performance Audit), Office of the Auditor General
- Mr. Julius Aurelio – Audit Manager, Office of the Auditor General
- Mr. Edgar Bennett – Audit Project Leader, Office of the Auditor General
- Mr. Kenneth Jefferson – Financial Secretary / Chief Officer, Ministry of Finance and Economic Development
- Ms. Theresa Walters – Acting Accountant General, Ministry of Finance and Economic Development

7. WITNESSES CALLED BEFORE THE COMMITTEE

In accordance with the provisions of Standing Order 77(4), the Committee invited persons to give information and explanations to assist the Committee in the performance of its duties. The following persons appeared before the Committee to give evidence on **Thursday, 20th October, 2022:**

- Mr. Ian Tibbetts – Director, E-Government Unit, Ministry of Investment, Innovation & Social Development
- Mrs. Tamara Ebanks – Acting Chief Officer, Ministry of Investment, Innovation & Social Development
- Mr. Eric Bush – Chief Officer, Ministry of Planning, Agriculture, Housing and Infrastructure
- Hon. Franz Manderson – Deputy Governor and Head of the Civil Service

8. PRACTICE AND PROCEDURE OF THE COMMITTEE

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

9. GOVERNMENT MINUTE

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

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

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

10. PAC RECOMMENDATIONS

On review of the Office of the Auditor General's Report, ***Government's Shift to Online Services (June 2022),*** and on critical analysis of witness testimonies and deliberations amongst the Committee Members, the PAC endorses and supports the recommendations made by the Office of the Auditor General in the Report.

The PAC makes the following additional observations:

10.1. The PAC is pleased that the Acting Chief Officer, Ministry of Investment, Innovation & Social Development (MIISD) confirmed that governance arrangements would be included in the e-government strategy proposals to be developed by the end of Q1 2023.

10.2. The PAC commends MIISD, the Ministry of Planning Housing, Agriculture & Infrastructure (MPAHI), and the E-Government Unit for committing to work together by the end of Q1 2023, to adapt the governance framework for major capital projects to make it fit-for-purpose for e-government projects, as originally recommended by the Auditor General. The committee looks forward to receiving a copy of this new framework.

10.3. The PAC is pleased that MIISD and the E-Government Unit are working to develop improved output measures for the E-Government Unit, as recommended by the Auditor General, and looks forward to seeing these in the 2024-25 budget documents.

10.4. The PAC is pleased that the Deputy Governor intends to include reference to the UN criteria when he issues the interim guidance which he originally committed to issuing by the end of 2022.

10.5. The PAC looks forward to seeing the Deputy Governor's guidance on the capturing of project costs for e-government projects by Q4 2023, and to being updated on any new timelines agreed upon for this.

ACKNOWLEDGEMENTS

The Committee is most appreciative of the efforts of the Auditor General and her staff for the support, assistance and constructive advice given throughout its deliberations. The Committee also wishes to thank the staff of the Parliament for the assistance provided.

REPORT OF THE COMMITTEE TO THE HOUSE

The Committee agrees that this Report be the Report of the Standing Public Accounts Committee to the House on the following Report of the Office of the Auditor General:

- ***The Government's Shift to Online Services (June 2022)***

Hon. Roy M. McTaggart, JP, MP - Chairman

Ms. Heather D. Bodden, OCI, Cert. Hon., JP, MP – Member

Ms. Barbara E. Conolly, JP, MP – Member

Mr. Joseph Hew, MP – Member

Mr. Isaac D. Rankine, MP – Member

Mr. Dwayne S. Seymour, JP, MP – Member

Parliament of the Cayman Islands

STANDING PUBLIC ACCOUNTS COMMITTEE

MINUTES

Administrative Meeting
Wednesday, 22nd June 2022 at 10:00 am

PAC Members Present:

Hon. Roy M. McTaggart, JP, MP – Chairman
Ms. Heather D. Bodden, OCI, Cert. Hon., JP, MP – Member
Ms. Barbara E. Conolly, JP, MP - Member
Hon. Katherine A. Ebanks-Wilks, MP – Member
Mr. Isaac D. Rankine, MP – Member
Mr. Dwayne S. Seymour, JP, MP – Member

PAC Clerk: Ms. Susan Burke – Procedural Clerk

Attendees: Mrs. Sue Winspear – Auditor General
Mr. Adrian Murenzi – Audit Manager (Performance Audit)

1. **Meeting to Order**
There being a quorum present, the Chairman called the meeting to order at 10:08 am.

2. **Apologies**
None.

3. **Approval of PAC Minutes**
    - 25th May, 2022 *(Hearing)*: The minutes were unanimously approved on a motion moved by Mr. Isaac Rankine and seconded by Ms. Barbara Conolly.

4. **Matters Arising from Minutes**

In relation to the Financial Secretary's witness testimony at the Hearing on 25th May pertaining to Revenue Concessions, Mr. Rankine inquired with the Auditor General why revenue was so much higher than the budget forecast, as he noted this made it challenging to make effect planning choices (such as for social services). The Auditor General referenced Recommendation 12 from the relevant Performance Audit Report and noted she would provide the PAC with a link to the report following the meeting.

- https://www.auditorgeneral.gov.ky/powerpanel/modules/reports/html/uploads/pdfs/Performance-Audit-Reports-Budgeting---Final-report---for-issue.pdf

The Auditor General added that it would take some time for the Financial Secretary to begin implementing the recommendations and this would not happen prior to the 2024 budgeting cycle.

Mr. Murenzi added that the Ministry also needs to work with the Department of Customs & Border Control, which can add to the timeline for implementing any recommendations. He also mentioned that the Government minute for the PAC report on this subject is due to go to Caucus; once the Government minute has been laid on the table, the OAG and then the PAC will be able to follow-up with the progress they have made on the recommendations.

The Chairman recalled that the Financial Secretary had said in the Hearing that the revenue budgets are conservative, and that he had pushed back on the revenue reporting. The Auditor General responded that MFED seemed to go with the entities figures in the last quarterly report rather than their own, which hinders the Government's ability to plan other options.

5. Approval of Auditor General's Invoice

The Chairman signed the invoice #207679 upon a motion by Hon. Katherine Ebanks-Wilks, which was seconded by Mr. Isaac Rankine.

6. Auditor General's Update

The Auditor General updated the Committee on the work of her office, namely the completion of the 2019 Entire Public Sector (EPS) audit, which had an adverse opinion. The issues contributing to the adverse opinion will be summarized in the next General Report. The Auditor General noted that although the audit was completed, the final sign-offs had not yet happened but that the Premier and Ministry were due to sign them shortly. The Hon. Chairman asked the Auditor General to share the EPS report by email with the PAC Members following the meeting, which was subsequently sent as requested.

7. Consideration of the new OAG Report, *"The Government's shift to online services (June 2022)"*

The Auditor General provided a brief overview and background of the Report to the PAC Members, noting that the OAG looked at how the Cayman Islands compares to UN member states and brought the Committee's attention to the data on page 26 (table 7) of the Report. The Report covered three primary sections: strategic direction, project planning and management, and performance and value for money.

The Committee heard that the Cayman Islands Government had made significant progress in developing online services and in developing a national ID scheme, though more needed to be done in a cross-governmental way. The Auditor General noted the key area for improvement is in the advancement of a government-wide strategy, particularly around efficiency and cost savings. The

Government never finalized the strategic plan that it drafted in 2015 but had started to draft a new strategy in 2021. The steering committee that was set up in 2015 to provide governance and strategic direction for the e-government programme did not meet after April 2017 so it was not clear who provided this function since then. The Auditor General added that while there are online services in place, many of them are disconnected from each other, making it less customer-centric. Furthermore, it wasn't clear to the OAG who is responsible for making decisions.

The Auditor General summarized the two remaining sections of the Report: Project Planning and Management, and Performance and Value for Money. The first of these, she noted, showed that documentation was lacking and only one project had a plan. The second demonstrated good indicators, though still more data could be collected. As a result, the OAG was not able to assess value for money.

The Report looked at four specific online services, which were all delayed due to changes in their scope:

a) Police clearance certificates;
b) Trade and business licenses;
c) Vehicle and drivers' licenses; and,
d) Planning permits.

Mr. Murenzi noted that the first three projects were managed by the E-Government Unit (EGU), but the last one was outsourced. The Auditor General added that summary reports were sent to these four units with suggestions. **Mr. Rankine asked for the Auditor General to send the Committee Members copies of the four summary reports**.

Mr. Seymour asked if there was a list in the Report that showed all projects managed by the EGU; Mr. Murenzi directed the Committee to page 59.

The Auditor General noted that of the 17 recommendations made, all but one had been accepted, pertaining to Recommendation #3 (pg. 65 of the Report) for the governance framework for major capital projects to be adapted for IT and e-government projects.

The Auditor General recommended that the PAC hold a public hearing on the Report.

Hon. Katherine Ebanks-Wilks asked if a hearing was necessary based on one recommendation not being accepted. The Auditor General responded that she would normally recommend a hearing when the OAG publishes a report with recommendations, in order to see what it is that the unit plans to do, as a way of ensuring efficiency and effectiveness. She added that the Director of the E-Government Unit had been in other Ministries and there is now a new Chief Officer in the Ministry of Investment, Innovation and Social Development (MIISD), and as such this would be a valuable time to hear from them as to their plans.

The Hon. Chairman added that it would be good to hear from the Director of the EGU in order to allow them to articulate the vision moving forward with various projects. Mr. Seymour noted that it would be beneficial to the listening public to be made aware of what services they can access online now or in the future. Ms. Conolly and the Hon. Chairman would like to inquire about the discrepancies in the taxi fares and whether the taxi fare app is being utilized. Mr. Seymour and Ms. Bodden would like to know what options might exist for those who do not have the technological capacity to utilize the services.

The Committee agreed to hold a public hearing, which was tentatively scheduled for Wednesday, 27th July at 10:00 a.m., with a half-hour briefing beforehand with the Auditor General, and a one-hour lunch. The following witnesses were identified, and **the PAC Clerk undertook to invite them to the hearing**:

- Mr. Ian Tibbetts, Director, E-Government Unit (*10:00 – 11:30 a.m.*)
- Ms. Tamara Ebanks, Acting Chief Officer, MIISD (*11:30 a.m. – 12:30 p.m.*)*
- Mr. Eric Bush, Former Chief Officer, MIISD (*11:30 a.m. – 12:30 p.m.*)*
- Hon. Franz Manderson, Deputy Governor and Head of the Civil Service (*1:30 -2:30 p.m.*)

**Ms. Ebanks and Mr. Bush would be questioned together.*

8. PAC Report on OAG's *Follow-up Report 2 (Feb 2022)*

The Hon. Chairman asked for a motion to sign the "*PAC Report on the Report of the Office of the Auditor General: Follow-up on past PAC Recommendations 2022 – Report 2 (February 2022)*". Ms. Barbara Conolly submitted the motion which was seconded by Hon. Katherine Ebanks-Wilks, and the motion was unanimously approved. The Chairman acknowledged the Committee's approval by circulating the PAC Report to the members for their signatures, and provided the signed Report to the PAC Clerk to be tabled in the next meeting of the House along with the OAG's Report.

9. Schedule of next Administrative Meeting

The next Administrative Meeting was scheduled for Wednesday, 14th September at 10:00 a.m. The Auditor General noted that she would be away but that Ms. Angela Cullen, Deputy Auditor General (Performance Audit) would attend.

10. Any Other Business

a. **CAPAC Conference**: The Hon. Chairman informed the Committee of a CAPAC Conference that will be held on 30th – 31st August 2022 in the Maldives. Given its short length, the PAC Clerk confirmed that virtual attendance was possible, though the live attendance unlikely given the time difference. As such, it is possible to view the recordings at a more convenient time for the Members. **The PAC Clerk will forward the relevant materials to the Members and will register virtual attendance** for the Hon. Chairman, Ms. Conolly, Hon. Ebanks-Wilks, and the PAC Clerk.

b. **PAC Manual**: The Hon. Chairman noted that the PAC Clerk had attended a UK Overseas Territories Clerk Leadership Group Quarterly Meeting, in which Clerks from attending Parliaments across the Commonwealth discussed the development of a manual for their PAC. The previous PAC Chairman had sought to establish a PAC Manual. Hon. McTaggart believed it would be beneficial to continue to develop it, acknowledging it would take some time. The Committee unanimously agreed to develop the PAC Procedural Manual. **The PAC Clerk undertook to provide PAC Members with copies of the manuals provided by Wales and Anguilla**.

c. **UKOTP Conference**: The Hon. Chairman informed the Committee of the upcoming CPA UK Overseas Territories Project (OTP) Forum on *Oversight of Public Finances and Good Governance* in London, 29th November – 1st December 2022. The Auditor General confirmed she would be attending with the Hon. Chairman and PAC Clerk.

11. Adjournment

There being no further business, the Chairman thanked the Committee members and the Auditor General, and adjourned the meeting at 11:13 a.m.

Minutes approved in the administrative meeting on 19th October 2022, on a motion by Mr. Isaac Rankine which was seconded by Ms. Barbara Conolly.

Parliament of the Cayman Islands

STANDING PUBLIC ACCOUNTS COMMITTEE

MINUTES

Administrative Meeting
Wednesday, 19th October, 2022, 9:30 am

PAC Members Present:

Hon. Roy M. McTaggart, JP, MP – Chairman
Ms. Heather D. Bodden, OCI, Cert. Hon., JP, MP – Member
Ms. Barbara E. Conolly, JP, MP - Member
Hon. Katherine A. Ebanks-Wilks, MP – Member
Mr. Isaac D. Rankine, MP – Member

Absent: Mr. Dwayne S. Seymour, JP, MP – Member

PAC Clerk: Ms. Susan Burke – Procedural Clerk (attending by Zoom)
Ms. Nordra Walcott – Assistant Clerk

Attendees: Mrs. Sue Winspear – Auditor General
Ms. Angela Cullen – Deputy Auditor General (Performance Audit)

1. Meeting to Order

There being a quorum present, the Chairman called the meeting to order at 9:30 am.

2. Apologies

None.

3. Approval of PAC Minutes

22nd June 2022 *(Administrative Meeting)*: Ms. Cullen pointed out a small typo on page three. Pending this change, the Chairman asked for a motion to approve the minutes. Mr. Isaac Rankine provided the motion, which was seconded by Ms. Barbara Conolly, and the minutes were unanimously approved.

4. Matters Arising from Minutes

4.1. Ms. Burke provided the Committee with a summary of the minutes from the Annual General Meeting of the Commonwealth Association of Public Accounts Committees (CAPAC), which was held on 30th-31st August, 2022 in the Maldives.

4.2. The Chairman confirmed that he would be attending the UK Overseas Territories Project Forum in London from 29th November – 1st December along with Mr. Isaac Rankine, Mrs. Sue Winspear, and Ms. Susan Burke. CPA UK will be funding the costs of the event including the cost of economy travel and hotel accommodations from the 27th November – 2nd December. The Auditor General requested that the Committee support having a representative from Internal Audit attend the Forum as well, and noted that she would request this also from the Chief Officer of the Portfolio of the Civil Service. Ms. Burke added that she and the Clerk had requested Internal Audit's participation but that it was declined, citing the opportunity cost of travelling that far for a short event.

Ms. Burke informed the Committee that the CPA was hosting another workshop immediately following the Forum, which was specific to PAC Clerks, and confirmed that she will be attending the workshop in London from 5th – 7th December.

4.3. Ms. Burke provided the Committee with a brief overview of the working draft PAC Manual, and invited their feedback and suggestions. Members were provided with a hard copy of the draft. Ms. Burke added that this was not a complete draft. The Chairman thanked the PAC Clerk and asked Members and the OAG to review the draft and revert to the PAC Clerk.

5. Approval of Auditor General's Invoice

The Auditor General thanked the Chairman for getting the three previous invoices signed by Round Robin. The Chairman signed the invoice #207716 upon a motion by Ms. Heather Bodden, which was seconded by Ms. Barbara Conolly.

6. Auditor General's Updates

6.1. The Auditor General reviewed the Forward Performance Audit Programme document with the Committee. The Auditor General and Deputy Auditor General asked the Committee for feedback and suggestions on the areas of future reports that have been identified. The Committee Members asked clarification questions on the various suggested report topics, and the Chairman confirmed that members will provide the OAG with further feedback.

6.2. The Auditor General asked the Chairman to endorse the OAG's proposals outlined in the paper on *Entity Financial Audits 2023 to 2027*, pertaining to changes to budgeting practices for private entity audits, increasing staff, and maintaining its surplus. The Auditor General noted that the Financial Secretary and Chief Officer of the Portfolio of the Civil Service have been supportive of the OAG's proposals.

The Auditor General noted that Mr. Patrick Smith, Deputy Auditor General (Financial Audit) will be rotating off financial audit for two years after 20 years in the OAG's financial audit practice to ensure the Office complies with Auditing Standards. His temporary two-year role would include leading on the backlogged audits, corporate work and some international audit consultancy work (that would be funded by the IDI). Mr. Rankine asked how many additional staff the Auditor General would need. The Auditor General said there will need to for an additional 4-6 staff in total; 2-3 permanently and 2-3 temporarily to work on the backlogged audits. This will also provide additional support for the Performance Audit practice. The Auditor General noted she could fund the additional staff if the OAG were able to retain its 2021 surplus (for the temporary posts) and have its budget increased to cover the audits returning in-house from 2023. The Chairman added that he supports the OAG's needs to be fully staffed to support its work in improving transparency. Mr. Rankine asked the OAG to provide an organisational chart of her staff to the Committee. **The Auditor General confirmed she will provide the Committee with an organisational chart**.

a. **The PAC agreed to endorse** the Auditor General's decision to put eight entity audits out to the market for the period 2023-2027, and to bring a further eight entity audits back in house from 2023.

Entity audits to go to market:

i. Cayman Airways
ii. Civil Aviation Authority
iii. Maritime Authority
iv. Stock Exchange
v. Water Authority
vi. Cayman Turtle Conservation and Education Centre Limited
vii. CINICO
viii. Public Service Pensions Board

Entity audits to be brought back in-house:

i. Office of the Ombudsman
ii. Office of the Director of Public Prosecutions
iii. Judicial Administration
iv. Portfolio of Legal Affairs
v. Children and Youth Services Foundation
vi. National Drug Council
vii. National Gallery
viii. UCCI

b. Consequent to this, and after discussion with the Committee, **the Committee endorsed** the Auditor General's recommendation that from 2023 onwards, the budgets for the outsourced audits are to be held first in the OAG budget, and that the OAG invoice the client for the total costs of the audit directly (i.e. the firm's fees and the OAG oversight fee).

c. **The PAC also endorsed** the Auditor General's recommendation that the OAG be permitted to increase its staff in order to deliver the additional audits coming in-house from 2023, and that the equivalent of the 2022 firms' audit fees should be added to the OAG's 2023 budget to pay for this.

d. Finally, **the PAC endorsed** the Auditor General's recommendation that the OAG should be allowed to retain its 2021 surplus and all surpluses and deficits going forward, to enable it to operate as a truly independent trading entity, in order to maintain flexibility. The Auditor General assured the Committee that the OAG wants to be held accountable by the PAC and will do this through quarterly and annual reporting and the PAC approval of the

OAG's budgets.

6.3. The Committee were provided with the close-out report on the ORIA terminal redevelopment project. The Auditor General and Deputy Auditor General noted it was commendable that the unit provided the assessment and suggested that the Chairman send a thank-you letter to Mr. Albert Anderson, CEO of the Cayman Islands Airport Authority for the report. **The Chairman agreed to send a thank-you letter; Ms. Burke will draft the letter.** The Committee agreed that it was commendable that the Cayman Islands Airport Authority had done this assessment so that lessons could be learned for the future and hoped that other entities would do the same after any major projects.

6.4. The Auditor General provided the Committee with a brief overview of the Quarterly Report 30th June 2022, drawing attention to the two new audit trainees, Jason Lee and Andrew Browning. The Auditor General noted that it had already been some time since the report was released and the next Quarterly Report to the end of September should be completed soon. The financial audit will be covered in the consideration of the 2021 General Report which will be discussed next at item 7.1.

6.5. The Auditor General mentioned that she was working on getting specific legislation drafted as this was lacking and the other independent office, the Ombudsman, had its own Act. Ms. Conolly and the Chairman asked about the legislative confines that the OAG is bound to and the Auditor General said that the Constitution and PMFA provide the legislative framework currently and this was reasonably comprehensive. The Auditor General noted that she has retained a lawyer to assist with drafting the legislative changes

7. Auditor General's Reports

7.1. General Report 31-December-2021 (October 2022): The Auditor General provided the Committee with an overview of the financial report, noting that she had made formal recommendations for the first time. The Auditor General talked through the seven recommendations made within the report. Discussion ensued. The Auditor General suggested that the PAC hold a full-day hearing. The Committee unanimously agreed to hold the hearing on ***Thursday, 17th November***. The following witnesses were identified, and **the PAC Clerk undertook to invite them to the hearing**:

- 10:00 a.m. – 12:00 p.m.: Mr. Kenneth Jefferson, *Financial Secretary and Chief Officer, Ministry of Finance & Economic Development,* supported by Mr. Matthew Tibbetts, *Accountant General, Ministry of Finance & Economic Development.*
- 1:00 – 2:00 p.m.: Mrs. Gloria McField-Nixon, *Chief Officer, Portfolio of the Civil Service.*
- 2:00 – 3:00 p.m.: Hon. Franz Manderson, *Deputy Governor and Head of the Civil Service.*

7.2. Follow-up on past PAC recommendations 2022 – Report 3 (September 2022): The Auditor General provided an overview of the report with the Committee and suggested that the PAC hold a half-day hearing on Appendix 2 ("Efficiency of Summary Courts" (November 2019)). Discussion ensued. The Committee agreed to hold the hearing on ***Friday, 18th November***. The following witness was identified and **the PAC Clerk undertook to invite her to the hearing**:

- 10:00 a.m. – 12:00 p.m.: Mrs. Suzanne Bothwell, *Court Administrator & Chief Officer, Judicial Administration*

7.3. Procurement of Lateral Flow Tests – Public Interest Report (March 2022): The Auditor General noted that this report was already a public document and that the contents were simply for the public's interest, and did not suggest the PAC do anything further with the report other than accept it.

8. PAC Hearing Preparation (*"Government's Shift to Online Services")* – 20th October

The Committee were provided with four mini reports pertaining to the four areas of the Report, as well as copies of the Auditor General's briefing notes. The Deputy Auditor General (Performance Audit) reviewed the briefing notes with the Committee. Discussion ensued. The Committee determined which Members would ask each question during the hearing. The Chairman encouraged Members to be familiar with the content of the report and to ask any of their own questions of the witnesses. It was later noted that Ms. Heather Bodden would not ask questions of the witnesses, other than the Hon. Deputy Governor, given her role as Parliamentary Secretary for the pertinent Ministry.

9. Schedule of next Administrative Meeting

The next Administrative Meeting was scheduled for Wednesday, 9th November, 2022 at 10:00 a.m.

10. Any Other Business

None.

11. Adjournment

There being no further business, the Chairman thanked the Committee Members and the Auditor General, and adjourned the meeting at 12:05 p.m.

Minutes approved in the PAC administrative meeting held on Wednesday, 16th November, 2022, on a motion by Hon. Ebanks-Wilks, which was seconded by Ms. Conolly.

Parliament of the Cayman Islands

THE STANDING PUBLIC ACCOUNTS COMMITTEE

MINUTES of Meeting with Witnesses
Thursday, 20th October, 2022
House of Parliament

OAG REPORT "The Government's Shift to Online Services (June 2022)"

PAC Members Present:

Hon. Roy M. McTaggart, JP, MP – Chairman
Ms. Heather D. Bodden, OCI, Cert. Hon., JP, MP – Member
Ms. Barbara E. Conolly, JP, MP – Member
Hon. Katherine A. Ebanks-Wilks, MP - Member
Mr. Isaac D. Rankine, MP – Member

Apologies:

Mr. Dwayne S. Seymour, JP, MP – Member

PAC Clerk:

Ms. Nordra Walcott – Assistant Clerk

Attendees:

Mrs. Sue Winspear – Auditor General

Ms. Angela Cullen – Deputy Auditor General (Performance Audit)

Mr. Julius Aurelio – Audit Manager

Mr. Edgar Bennett – Audit Project Leader

Mr. Kenneth Jefferson – Financial Secretary / Chief Officer, Ministry of Finance and Economic Development

Theresa Walters – Acting Accountant General, Ministry of Finance and Economic Development

Witnesses:

Mr. Ian Tibbetts – Director of eGovernment, Ministry of Investment, Innovation & Social Development

Mrs. Tamara Y. Ebanks – Acting Chief Officer, Ministry of Investment, Innovation & Social Development

Mr. Eric Bush – Chief Officer, Ministry of Planning, Housing, Agriculture & Infrastructure *(formerly Chief Officer, Ministry of Investment, Innovation & Social Development)*

Hon. Franz Manderson – Deputy Governor and Head of the Civil Service

1. Meeting to Order

There being a quorum present (Standing Orders 77(2) refers), the Chairman called the Public Accounts Committee (PAC) hearing to order at 10:21 am.

2. Welcome

The Chairman gave a brief welcome to Members of the Committee and Attendees and thanked them for attending the Public Accounts Committee (PAC) Hearing.

The Chairman invited PAC Member, Mr. Isaac Rankine, to begin proceedings with a prayer, and acknowledged receipt of apologies from PAC Member Mr. Dwayne Seymour, JP, MP.

3. Report of the Auditor General

The Chairman stated the purpose of the Hearing was to examine the Office of the Auditor General's (OAG) Report, *The Government's Shift to Online Services* (the "Report"). The Chairman noted that Ms. Heather Bodden, PAC Member, will recuse herself from asking questions of witnesses given her position as the Parliamentary Secretary for the Ministry of Investment, Innovation & Social Development.

The Chairman invited the Auditor General, to make an opening statement and present the Report. The Auditor General, Mrs. Sue Winspear, presented an overview of the Report, and introduced Mrs. Angela Cullen (Deputy Auditor General – Performance Audit) and Mr. Julius Aurelio (Audit Manager – Quality Assurance and IT). The Chairman welcomed Mrs. Theresa Walters, Acting Accountant General, who is attending in the place of Mr. Matthew Tibbetts, Accountant General.

The Chairman welcomed the first witnesses, Mr. Ian Tibbetts, and reminded the witness to state his name and title before responding to the first question. The Chairman read a prepared preamble before inviting PAC Members to question the witness.

Discussion ensued with questions being asked to Mr. Ian Tibbetts by the PAC Members. Before departing the Chamber, the Chairman thanked the witness on behalf of the Committee for attending the Hearing.

The Chairman announced the Committee would take a five-minute break.

The Chairman welcomed the second and third witnesses together, Mrs. Tamara Y. Ebanks, and Mr. Eric Bush, and asked them to state their names and titles for the record before answering the first question addressed to them. The Chairman invited Members to question the witnesses. Discussion ensued with questions being asked to the witnesses by the PAC Members.

- Mrs. Tamara Ebanks gave an assurance to the Committee that the governance arrangements would be included in the e-government strategy and this would be prepared by the end of Q1 2023.

In response to PAC Member Ms. Barbara Conolly's question regarding the reasons why the Ministry of Investment, Innovation & Social Development did not follow the Major Projects Office governance framework for major capital projects, Mrs. Tamara Ebanks stated that the e-Government Unit's projects did not meet the minimum financial threshold to qualify for the Major Projects Office governance framework. The Chairman noted that while it might not meet the threshold, the framework should be malleable enough to fit these government-wide e-government projects, and encouraged the Ministry to revisit the framework rather than develop something from scratch.

- Mr. Eric Bush gave an assurance to the Committee that the Ministry of Planning, Housing, Agriculture & Infrastructure would meet with the Ministry of Investment, Innovation & Social Development in order to see how they can adapt and create a framework.

The Chairman asked Mrs. Tamara Ebanks about the likely date for the National ID programme to be launched and commence operations.

- **Mrs. Tamara Ebanks undertook to provide the Committee with the details of the timeframe for the launch of the National ID programme.**

Ms. Barbara Conolly inquired into the role the Ministry of Investment, Innovation & Social Development was playing in identifying better output measures for the E-Government Unit in advance of the next budget cycle.

- Mrs. Tamara Ebanks gave the assurance that the Ministry of Investment, Innovation & Social Development would work closely with the E-Government Unit to improve the output measures for the next budget cycle.

Before departing the Chamber, the Chairman thanked the witnesses on behalf of the Committee for attending the Hearing.

The Chairman suspended proceedings at 12:30 pm.

Proceedings resumed at 1:36 pm.

The Chairman reconvened the hearing and welcomed the final witness, Hon. Franz Manderson, Deputy Governor. The Chairman provided an opening preamble.

The Chairman invited PAC Members to ask questions of the witness. Discussion ensued.

- The Hon. Deputy Governor assured the Committee that he would issue guidance to the Civil Service about the governance arrangements to be followed when setting up new e-services to ensure they are in keeping with a government-wide approach.

Before departing, the Chairman thanked the witnesses on behalf of the Committee for attending the Hearing.

3. Any Other Business

None.

4. Adjournment

There being no further business, the Chairman thanked the Members, the Auditor General and her team, the Financial Secretary and Accountant General.

The meeting was adjourned at 2:35 pm.

Minutes approved in the PAC administrative meeting held on Wednesday, 16th November, 2022, on a motion by Mr. Rankine, which was seconded by Ms. Conolly.

Parliament of the Cayman Islands

STANDING PUBLIC ACCOUNTS COMMITTEE

MINUTES

Administrative Meeting
Wednesday, 16th November 2022, 8:45 a.m.

PAC Members Present:

Hon. Roy M. McTaggart, JP, MP – Chairman
Ms. Heather D. Bodden, OCI, Cert. Hon., JP, MP – Member
Ms. Barbara E. Conolly, JP, MP - Member
Hon. Katherine A. Ebanks-Wilks, MP – Member
Mr. Isaac D. Rankine, MP – Member
Mr. Dwayne S. Seymour, JP, MP – Member

PAC Clerk: Ms. Susan Burke – Procedural Clerk

Attendees: Mrs. Sue Winspear – Auditor General
Ms. Angela Cullen – Deputy Auditor General (Performance Audit)

1. Meeting to Order

There being a quorum present, the Chairman called the meeting to order at 8:58 a.m., and thanked the Members for their commitment to ensuring the meeting went ahead given the change of schedule.

2. Apologies

None.

3. Approval of PAC Minutes

- 19th October 2022 *(Administrative Meeting)*: The minutes were approved on a motion by Hon. Ebanks-Wilks which was seconded by Ms. Conolly.

- 20th October 2022 *(Hearing)*: The minutes were approved on a motion by Mr. Rankine which was seconded by Hon. Ebanks-Wilks.

4. Matters Arising from Minutes

4.1. The Auditor General apologized that she had not brought the organizational chart per the minutes of 19th October 2022, **and promised to send the information electronically to the Committee following the meeting**.

4.2. The Chairman noted that the hearings had been postponed from the 17th and 18th November, to the 23rd and 24th November per the relevant emails from the PAC Clerk.

4.2.1. Ms. Bodden gave her apologies for the Thursday, 24th November.

4.2.2. The Auditor General told the Committee that the briefing notes for the two hearings will be sent by email by the end of the week.

5. Approval of Auditor General's Invoice

The Chairman signed the invoice #207730 upon a motion by Ms. Conolly, which was seconded by Mr. Rankine.

6. Auditor General's Updates

6.1. Quarterly Report – 30th September 2022 – 3rd Quarter: The Auditor General provided the Committee with an overview of the report.

6.2. The Auditor General informed the Committee that her Office had been undergoing an external Supreme Audit Institutes Performance Measurement Framework (SAI PMF) assessment through the INTOSAI Development Initiative (I.D.I.), an exercise that is undertaken every five years. Two inspectors from Norway have been comprehensively looking at every aspect of the OAG's practice, which will help her to review and update the OAG's strategies moving forward. She noted that the OAG had done well, **and will provide the Committee with the inspector's assessment report once it has been finalized**.

6.3. The Auditor General noted that she has been working on draft legislation for the Auditor General's Act to present to the Committee.

6.4. The Committee received an update on the entity audits, noting a poor response rate from the audits sent to market due to lack of staff within the private audit firms. This resulted in some of the entity audits coming back in-house. Discussion ensued.

6.5. Mr. Rankine asked for clarification on paragraph 13 of the Report and the reasons for the backlog. The Auditor General answered that backlogged audits are ranked lower on the OAG's priority lists, and provided some context for several of the backlogs, such as the Ministry of Health and the Cayman Turtle Centre. The Auditor General assured the Committee that they do get to the backlogs and they are making progress.

6.5.1. The Chairman reminded the Committee that they had sent a letter to the Turtle Centre earlier in the year, **and asked the PAC Clerk to make a note to revisit their progress by the end of March 2023**.

7. Auditor General's Reports

7.1. No new reports.

8. Scheduling of Next Meetings:

8.1. The Chairman confirmed the two hearings will proceed the following week, pending any notifications from the Premier's office.

8.2. The next Administrative Meeting was scheduled for Wednesday, 11th January, 2023 at 10:00 a.m.

9. Any Other Business

9.1. The PAC Clerk let the Committee know that the PAC Annual Report was in progress and will be on the agenda for January 2023.

9.2. The Chairman reminded the Committee to review the PAC Manual and to let the PAC Clerk know of any feedback. Hon. Ebanks-Wilks asked the PAC Clerk to send the document electronically.

10. Adjournment

There being no further business, the Chairman thanked the Committee Members and the Auditor General, and adjourned the meeting at 9:34 a.m.

The minutes were approved in the administrative meeting held on 1st March, 2023, on a motion by Ms. Conolly which was seconded by Ms. Bodden.

Parliament of the Cayman Islands

STANDING PUBLIC ACCOUNTS COMMITTEE

MINUTES

Administrative Meeting
1st March, 2023

PAC Members Present:

Hon. Roy M. McTaggart, JP, MP – Chairman
Ms. Heather D. Bodden, OCI, Cert. Hon., JP, MP – Member
Ms. Barbara E. Conolly, JP, MP - Member
Mr. Joseph Hew, MP – Member
Mr. Isaac D. Rankine, MP – Member

Apologies:

Mr. Dwayne S. Seymour, JP, MP – Member

PAC Clerk: Ms. Susan Burke – Procedural Clerk

Attendees: Mrs. Sue Winspear – Auditor General, Office of the Auditor General (OAG)
Ms. Angela Cullen – Deputy Auditor General (Performance Audit), OAG

1. Meeting to Order

There being a quorum present, the Chairman called the meeting to order at 10:09 a.m., and welcomed the Members to the first administrative meeting of 2023. The Chairman acknowledged and welcomed Mr. Joseph Hew to the Public Accounts Committee (PAC), who replaced the Hon. Katherine Ebanks-Wilks on 25th November, 2022, through Government Motion No. 2 of 2022-2023.

2. Apologies

The Chairman acknowledged apologies from Mr. Dwayne Seymour and noted that Mr. Isaac Rankine would be joining momentarily.

3. Approval of PAC Minutes

- 16th November, 2022 *(Administrative Meeting)*: The Auditor General provided the Committee with hard copies of the OAG organisation chart that was mentioned in item 4(1) of the minutes. The minutes were approved on a motion by Ms. Conolly which was seconded by Ms. Bodden.

- 23rd November, 2022 *(Hearing)*: The minutes were approved on a motion by Ms. Conolly which was seconded by Ms. Bodden.

- 24th November, 2022 *(Hearing)*: The minutes were approved on a motion by Ms. Conolly which was seconded by the Chairman.

4. Matters Arising from Minutes

4.1. The Auditor General made a note regarding item 6(2) from the minutes of 16th November; the OAG still hadn't received the inspector's assessment report but will send it to the Committee once she has received it.

4.2. The Chairman noted the Committee had agreed to send a follow-up letter to the (Acting) Chief Officer of the Cayman Islands Turtle Centre (CITC) in March 2023. The Auditor General updated the Committee that the CITC had submitted its 2022 submission yesterday (28th February) and that it had appointed a Chief Financial Officer. **The Chairman asked the Committee Clerk to calendarize the follow-up letter for the next month's PAC meeting.**

5. PAC Reports for Review/Approval

5.1. PAC Report on the OAG Report, *"Government's shift to online services (June 2022)"*:

The Committee Clerk noted that the date would be corrected under item 4, replacing "19th January, 2023" with "1st March, 2023". The Chairman asked for a motion to approve and sign the PAC Report with the change of date. The Committee agreed that Mr. Hew would not participate in the approving and signing of the PAC Reports for hearings that took place prior to his membership. Ms. Conolly moved to approve the PAC Report, and Ms. Bodden seconded the motion.

The Chairman asked the Committee Clerk to write to the witnesses requesting the items outlined under section 10 of the PAC Report. The Auditor General advised that the follow-up letters from the Committee Clerk should be sent after 1st April 2023.

The Committee Clerk will check with the Clerk & Chief Officer whether the Hon. Deputy Governor provided the information under item 10.4 of the PAC Report before writing to him.

5.2. PAC Report on the OAG Report, *"Follow-up on past PAC recommendations 2022 – Report 3 (September 2022)*:

The Committee agreed to approve and sign the PAC Report with no amendments upon a motion by Ms. Conolly which was seconded by Ms. Bodden.

5.3. PAC Annual Report for the Parliamentary Session 2021-2022:

The Chairman asked the Committee Clerk to note on item 1 of the Report that the reporting period is for the Parliamentary year and not the financial year. The Annual Report was approved on a motion by Ms. Conolly which was seconded by Ms. Bodden.

6. Approval of Auditor General's Invoice

The Chairman signed the invoice **#207784** for $62,882.92 from 31st January 2023 upon a motion by Ms. Conolly, which was seconded by Ms. Bodden.

The Committee unanimously agreed to note for the minutes that the previous invoice #207734 for $94,258.34, also dated 31st January 2023 but covering November and December 2022, was approved by Round Robin on 25th January, 2023.

7. Auditor General's Updates

7.1. The Auditor General updated the Committee on the reports that will be forthcoming from her Office: a public interest report on the environment, and a *Follow-up on past PAC recommendations* report on budgeting and financial reporting. The Auditor General asked the Committee to hold another administrative meeting as soon as possible to consider the reports.

7.1.1. The *Follow-up* report will be submitted to the Hon. Speaker within a day or two, and will be published on her website the following week. The Auditor General noted for the Committee that the progress has been assessed as "red" in the report.

7.2. The Auditor General advised that the OAG's 2022 audit should be completed within a week. The Chairman asked if there were any significant issues, and the Auditor General replied that there are not any major issues. The Auditor General noted that the OAG has a surplus of just under $400,000 and asked if the Committee would formally endorse that the OAG retains the surplus in order to support backlogged audits.

The Chairman asked the Committee Clerk if the Committee had already endorsed this and she confirmed that the PAC endorsed the Auditor General's surplus retention in the administrative meeting held on 19th October 2022. The Committee unanimously agreed to again endorse the Auditor General's request to retain the surplus. The Auditor General noted her appreciation for the endorsement.

7.3. The Auditor General noted that yesterday (28th February) was the statutory deadline for financial statements and annual reports. She noted that two entities were late in submitting theirs: the Public Service Pensions Board, and the Segregated Insurance Fund.

7.4. The Auditor General noted that the OAG is entering its busy season. They have on-boarded new staff, including two from Bermuda who are coming to support the OAG for a five-week period. The Deputy Auditor General had previously gone to Bermuda to support their performance audit work. The OAG is only paying for their travel and accommodations. The Auditor General noted that it is a challenging market as private firms are able to offer higher salaries and are more frequently outsourcing to Africa and the Indian subcontinent.

8. Any Other Business

8.1. Update from CIG re: OAG and PAC report on *"Follow-up on past PAC recommendations 2022 – Report 1 (January 2022)*:

The Committee Clerk distributed copies of instructions the Government has issued on The Hub regarding procurement contract protocols and policies. Mr. Rankine asked for copies of the attachment referred to in the circular; **the Committee Clerk confirmed she would send this to Members following the meeting**.

The Auditor General felt that the guidelines issued by the Hon. Deputy Governor were slightly overboard and agreed with the feedback she has received from Chief Financial Officers that $10,000 is too low of a threshold. The Auditor General recommended that the Chairman send a letter to the Hon. Deputy Governor and to the Hon. Attorney General to thank them for instituting measures in response to the OAG's and PAC's reports, but that the threshold of $10,000 mentioned under item 17(iii) of the "*Guidance on contract review by the Attorney General's Chambers – Version 1.0, 28 June, 2022*" should, in their view, be amended to $100,000 or lower value contracts if especially novel or contentious. **The Chairman agreed and asked the Committee Clerk to prepare a letter for the Chairman to sign and to send the full circular with its appendices to the Members.**

8.2. Update on PAC Manual:

Members were provided with electronic and hard copies of the revised PAC manual. The Chairman thanked the Committee Clerk for preparing the manual and asked the Members to review and consider any additional items that can be included in the manual from the perspective of a PAC Member. **The Members and Audit Office agreed to review the document.** The Chairman would like to finalize the Manual within the next two administrative meetings.

8.3. Mr. Hew asked the Auditor General if the OAG can undertake work that the PAC or any person may request. The Auditor General advised that the PAC reviewed the Forward Performance Audit Programme with the Committee on 19th October 2022, which gave the PAC an opportunity to make any suggestions on topics for the OAG to study in future reports, but that Members and the public may always make suggestions for areas of performance audits which she will consider. Sometimes suggestions tend to be too political in nature and some requests that come to her Office are more suitably redirected to the Office of the Ombudsman.

Ms. Bodden made reference to police performance being an area where she would like to see a future performance audit.

9. Scheduling of Next Meetings:

9.1. The next Administrative Meeting was scheduled for Wednesday, 29th March, 2023 at 10:00 a.m.

10. Adjournment

There being no further business, the Chairman thanked the Committee Members, the Auditor General, Deputy Auditor General, and the Committee Clerk, and adjourned the meeting at 11:10 a.m.

These minutes were approved in the administrative meeting held on 29th March 2023 on a motion put forward by Ms. Barbara Conolly, which was seconded by Ms. Heather Bodden.

PARLIAMENT OF THE CAYMAN ISLANDS

STANDING PUBLIC ACCOUNTS COMMITTEE

THE GOVERNMENT'S SHIFT TO ONLINE SERVICES - (JUNE 2022)

Official transcript relating to the Official Report of the Standing Public Accounts Committee Meeting held on 20 October, 2022

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PAC Members Present:

Hon. Roy M. McTaggart, JP, MP, Chairman

Ms. Barbara E. Conolly, JP, MP, Member

Hon. Katherine A. Ebanks-Wilks, MP, Member

Ms. Heather D. Bodden, OCI, Cert. Hon., JP, MP, Member

Mr. Isaac D. Rankine, MP, Member

Apologies: Mr. Dwayne S. Seymour, JP, MP, Member

In attendance: Mr. Kenneth Jefferson
Financial Secretary and Chief Officer
Ministry of Finance and Economic Development – (MFED)

Ms. Theresa Walters, Acting Accountant General
Ministry of Finance and Economic Development – (MFED)

Audit Office: Mrs. Sue Winspear, Auditor General

Ms. Angela Cullen, Deputy Auditor General (Performance Audit)

Mr. Julius Aurelio, Audit Manager (Quality Assurance and IT)

Mr. Edgar Bennett, Audit Project Leader

Witnesses: Mr. Ian Tibbetts
Director, E-Government Unit

Ms. Tamara Ebanks, Acting Chief Officer,
Ministry of Investment, Innovation and Social Development

Mr. Eric Bush, Chief Officer,
Ministry of Planning, Housing, Agriculture & Infrastructure
(Former Chief Officer, Ministry of Investment, Innovation and Social Development)

Hon. Franz Manderson
Deputy Governor and Head of the Civil Service

PAC Clerk: Ms. Nordra Walcott

EDITED VERBATIM REPORT
STANDING PUBLIC ACCOUNTS COMMITTEE
THURSDAY
20 OCTOBER, 2022
10:21AM

THE GOVERNMENT'S SHIFT TO ONLINE SERVICES, (JUNE 2022)

Verbatim transcript of the Standing Public Accounts Committee Meeting held on Thursday, 20 October, 2022, at 10:21am, in the Chamber of the House of Parliament; George Town, Grand Cayman.

[Hon. Roy M. McTaggart, Chairman, presiding]

The Chairman: Right, good morning to all members of the committee. I call this hearing to order and, as is customary, we begin with a prayer. I call on Mr. Rankine to lead us in prayer.

Mr. Isaac D. Rankine: Let us pray. Loving heavenly Father, we come to you this hour asking for your blessing as we gather for this Public Accounts Committee hearing.

We pray for your guidance in the matters that will be discussed, we ask that you clearly show us how the conduct our work with a spirit of joy and enthusiasm for the benefit of the Cayman Islands. Help us to work together and encourage each other to excellence. We ask that we would challenge each other to reach higher and further; to be the best we can be. We ask this in your Son's name, Jesus Christ.

Amen.

The Chairman: Thank you Mr. Rankine.

Good morning again, everyone, it is good to see you all. It has been a few months since we've been together and held a hearing, so glad to be back and to see everyone again. I look forward to a very productive day.

This morning, we are here to examine the Auditor General's report entitled *The Governments Shift to Online Services*, dated June of 2022.

We have had apologies this morning from Mr. Seymour, who is unable to be here.

I want to point out the fact that Ms. Heather Bodden is conflicted in terms of this hearing, as she is the Parliamentary Secretary for the Ministry of Investment, Innovation and Social Development. We recognise that, and although she will be here in the Chamber throughout the meeting, she will not participate in the questioning of witnesses or otherwise publicly.

I also want to recognise Mr. Julius Aurelio of the Auditor General's office; he's a manager in that office—and I believe you participated in the preparation of this report? We welcome you to the committee as well, and you are welcome to stay for as long as you can or would like to today.

As we begin the hearing this morning, I now call upon the Auditor General to make her opening remarks introducing the report to the committee. Thereafter we will call our first witness into the Chamber.

Auditor General, good morning.

Office of the Auditor General

Mrs. Sue Winspear, Auditor General: Thank you, Mr. Chairman.

Good morning to you, members of the Public Accounts Committee, colleague officials, and the listening public.

Thank you for the opportunity to make some opening remarks. As you mentioned, the report we are considering is our report, *The Government's Shift to Online Services*, published in June.

The audit we undertook covered three main areas:

- Strategic direction and governance;
- Project planning and management; and
- Performance and value for money.

We reviewed four online projects to help inform our findings and conclusions for the 2nd and 3rd areas, and those online projects were the police clearance certificates, vehicle and driver licenses, trade and business licences, and planning permits.

Firstly, I want to highlight that the government has shifted a large number of services online and the Cayman Islands compares well when looking at the top 20 global government online services. The E-Government Unit has played a pivotal role in achieving this.

I also want to highlight that the government has been working for a number of years on developing a national identity system that will enable more efficient and better joined up online services; however, at the time of my report, the system needed primary legislation before it could be rolled out. I will now briefly summarize our findings in each of the three areas.

Firstly, strategic direction and governance. The E-Government Unit drafted an E-Government strategy in 2015, but this was never finalised. In 2021 the E-Government Unit started to develop a new strategy. The early draft of the 2021 strategy was better aligned with good practice, but it still had significant gaps; namely, it did not include an objective on improving efficiency, and there was no explicit mention of better joining up government and the way it works.

In relation to governance, the government set up a high-level steering committee in 2015 to provide strategic oversight and prioritise the E-Government initiative's implementation, however, the committee did not meet after April 2017, and it is not clear how that role has been provided since then.

There is no overarching governance framework for (Information Technology) IT and E-Government projects setting out a standardised approach. The lack of such a framework contribute to weak governance for some projects—for example, some project sponsors were not clear about what their roles were.

The second section on project planning and management, we found that effective project management planning and management involved some key steps and documents to be prepared and those documents are things like business cases, project plans and project closure reports that identify lessons to be learned. From the four projects we reviewed, we found that only one had a business case.

This meant that the objectives for, and the benefits expected from the project, were not clear, which makes it very difficult to measure their success later. However, all projects had timelines that set out key dates and responsibilities, but only one project had a complete project plan document and only one project did a closure report to learn lessons.

Finally, on performance and value for money, the E-Government Unit has made some limited progress against the four objectives that were set out in the draft 2015 strategy. It is not clear if the government has achieved value from the four services that it shifted online. This is largely because the costs and the benefits of the four projects are unknown.

In relation to costs, budgets were not set for the projects, and the cost to design, develop and deliver the new online services were not monitored. These are significant gaps.

Firstly, because without knowing what things cost, you cannot determine the value that the investment has provided. Secondly, the government may be under-reporting the value of its assets. If it does not know the cost to develop and build an online system, then it does not know the value that needs to be capitalized and held in its accounts.

The E-Government Unit and departments capture very limited performance information to demonstrate the benefits from bringing services online. However, take up rates, that is the percentage of transactions done online, is being monitored and it is good to note that the annual trend shows more and more online transactions being performed. However, many indicators were not monitored like staff efficiency, and how much each transaction costs the government to perform. We also reported that customers are generally satisfied, although this is not routinely measured for online services.

My report makes a total of 17 recommendations, 14 to the government and three specifically to the E-Government Unit—all but one of these were accepted.

As you mentioned, I have today with me as well as Mr. Julius Aurelio, who worked on the report, Ms. Angela Cullen who is the Deputy Auditor General and leads the oversight of the performance audit practice. And with your permission Mr. Chairman, Mr. Edgar Bennett, the Audit Project Leader that also worked on this report will be joining us later, so he can hear the hearing first-hand.

Thank you very much.

The Chairman: Thank you, Auditor General. In addition to the Financial Secretary being here, I neglected to mention and welcome Ms. Theresa Walters as well, from the Financial Secretary's office. Ms. Theresa is sitting in for the Accountant General, Mr. Matthew Tibbetts so, welcome to you as well.

Okay, I think we are now ready to proceed with the examination of our witnesses this morning and begin this hearing, so at this time I would like to call on our first witness who is Mr. Ian Tibbetts, the Director of the E-Government (E-Gov) Unit.

E-Government Unit

The Chairman: Good morning, Mr. Tibbetts. Welcome to the Public Accounts Committee and to this hearing. I believe that this is your first time appearing before the committee so I extend a warm welcome to you. When we start the questioning I am going to ask you, before you answer your first question, if you would state your name and your position just for the record. We only require you to state it one time, to ensure that we got it right in terms of the recording and the transcript.

Before I move forward [and] open the committee to asking you questions, I do have a preamble that I would like to read, as it is customary.

The Auditor General's report states that the government first launched its E-Government initiative in 2010, and acknowledges that significant progress has been made since then with a number of government services now available online. This is indeed good news.

We appreciate that the E-Government Unit is not involved in all E-Government projects across government and we don't expect you to be able to answer for all of them, but we are interested in those projects that the E-Government Unit is involved in, and the central role that the unit has to play in delivering the E-Government programme.

We understand from your responses to the Auditor General's report and recommendations, that the E-Government Unit, and the Ministry of Investment, Innovation, and Social Development plan to develop a government-wide E-Government strategy; however, we also understand that developing the government-wide strategy may take some time to accomplish. Therefore, we are keen to know what measures can be taken, to address the Auditor General's recommendations in the meantime. Members will follow up on this during the hearing this morning.

With that brief statement, I am going to open the hearing up to questions and the first person to lead off with those questions is Mr. Rankine.

Mr. Rankine.

Mr. Isaac D. Rankine: Thank you, Mr. Chairman. I want to welcome you Mr. Tibbetts to this Public Accounts Committee hearing.

As the Auditor General alluded to in her opening statement and the brief remarks by the Chairman, the Auditor General report highlighted the need for E-Government strategy that is aligned with good practice. She also cited the United Nations' guidance as good practice. It was also noted that you prepared a draft E-Government strategy in 2015 but this was never finalised, and you started working on a revised E-Government strategy in 2021. The revised strategy was an improved version, but did not specifically mention objectives that will improve efficiency or of joining up government.

It is our understanding from the responses to the Auditor General's recommendations that the E-Government Unit with the Ministry, plans to submit two proposals to Cabinet in the fourth quarter (Q4) of this year for a revised government wide E-Government strategy. However, the date for that completion is yet to be determined by Cabinet. Therefore the first question is: What are the reasons the 2015 strategy was never finalised, and what are the challenges arising from not having a formally-approved strategy?

Mr. Ian Tibbetts, Director - E-Government Unit: Good morning and through you, Mr. Chair.

I am Ian Tibbetts, the Director of the E-Government Unit within the Ministry of Innovation, Investment, and Social Development.

Thank you for the question Mr. Rankine. In terms of why the 2015 strategy was never finalised, it was drafted and presented to the E-Government steering committee. It was being revised and worked out with a subcommittee of the E-Government steering committee. That was never finalised and, as I think was mentioned, after April 2017 the E-Government steering committee never reconvened.

Is there a second part to the question—sorry?

Mr. Isaac D. Rankine: The second part was: Were there any challenges arising from not having a formally-approved strategy?

Mr. Ian Tibbetts, Director - E-Government Unit: As I mentioned, the strategy that was drafted was being worked through with the E-Government steering committee and, as the auditors will recall, I was quite confident that it had been approved in principle, however, I was unable to produce the Minutes that reflected that. The steering committee were aware and were in agreement with the strategy and obviously, as things were moving along, we continued to work with that strategy at that stage.

However, I think it is worth noting that there is a significant change that occurred relative to that timeline of April 2017. That was the last meeting prior to the election and up until that point my post, the Director of the E-Government, was the only post in the team. It was within the Cabinet office and as such, there were no projects specifically for Cabinet Office. It was general—we were there to serve everyone across. After the election we were placed in a Ministry with a portfolio, and there was a need to adapt the roles to fit within that environment.

The Chairman: Mr. Tibbetts, can I ask you, when you are speaking into the mic, you need about 4-6" away from it; otherwise, it's getting reverb.

Mr. Isaac D. Rankine: Thank you, sir.

Can you update us then, on what progress you have made with drafting that proposal for the government-wide E-Government strategy for Cabinet's consideration and approval? What progress has been made?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair.

Mr. Rankine, the progress to date has been limited. We have been extremely focused on the National ID and Population Register project and the relevant legislation. However, we have had discussions between the Ministry and the unit in regards to the Cabinet paper that is referenced, and we have it as a top priority to address.

Realistically, given the season and the progress towards the National ID legislation, I think we are going to struggle to achieve the end of Q4, in all honestly. I think it will more realistically occur sometime in Q1 of 2023, because that Cabinet paper—sorry, sir—I think, will take a fair bit of consideration because it does need to put forward the pros and cons of the different options on how we proceed, and if we go certain routes it will need to justify funding, et cetera.

Mr. Isaac D. Rankine: Okay, thank you.

Let us look a little bit further in the future then, end of Q1, 2023. How long after that do you think it will take to develop the government-wide E-Government strategy once you get that approval.

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair. Mr. Rankine, the timeline will be determined I believe largely by the approach that Cabinet desires when we seek that clarity.

I think it is fair to say that the level of strategy that I believe is called for, is a significant undertaking. Something that we do not have the internal resources, certainly in the E-Government Unit—and I don't think the Ministry does either—to undertake. We will probably need to pursue a procurement for support for that process. It requires significant research and customer input and feedback and public consultation, et cetera.

Thus I think, depending on the approach and the extent of the strategy that Cabinet so desires, makes that time period very variable, sir—from probably months, to potentially years.

Mr. Isaac D. Rankine: I am trying to process that in terms of how, for what you said and the reasons why it will take that long, but if we aim to deliver these online services to customers internally, we will have to have some specific timelines in order to achieve what E-Government wants to achieve in terms of online services.

Okay, just going on then: Will the new E-Government strategy aim to improve efficiency in the joining up of the government?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair.

Mr. Rankine, I think it is reasonable to expect that it would. We are kind of presuming where it would go, but I think it is very reasonable to expect it would. The strategy that we started working on internally—I think this is an example of what I was saying, it is depending on the scale of the strategy.

If I look at the model that was referred to in terms of the United Nations, under the strategy and implementation, it talks about a national development strategy incorporating the United Nations' sustainable development goals, which makes specific reference to the use of new technologies which is aligned with the Sustainable Development Goals (SDGs) which is aligned with the National Development strategy.

As you can see, the work to get to that level of strategy is quite significant and, if it requires a procurement typically, I think, having quite a bit of experience in going through the procurement process, it would range from—sorry. I would say the procurement process that we would be looking at for this, I would estimate, is something that would probably take six months in and of itself.

If I may, the point you made about services having to be delivered in the meantime, I think this is exactly the situation that we have found ourselves in. You know the old colloquial saying of, *"while the grass is growing, the horse is starving,"* we have had to continue to ensure that we progress during the time—whether a strategy was under development or finalized, we had to ensure that we continued to progress.

For that, obviously, there are many good inputs—the Strategic Policy Statement of the Government, the budget process, the setting of objectives as they get cascaded… All of those have been used to drive the way forward in the meantime.

Mr. Isaac D. Rankine: Thank you. One last question on the strategic direction from me. Can you explain to us how the new E-Government strategy will take into consideration the needs of users who won't readily have access to the internet? I am sure you guys are thinking about that, but how will it incorporate those persons?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair.

Mr. Rankine, in regards to persons that do not have access to internet, there are a number of options. I think something that we have focused on is to say that we don't expect to address all problems with a single solution. For example, one scenario is, for persons that have online access, if we can make it easy and efficient such that they choose to use that, then we will have more time at counters to facilitate persons that don't.

However, we are working on how to handle accessibility issues and using technology to allow assisted access to persons with, say, certain impairments, but who would prefer to use that method.

Mr. Isaac D. Rankine: All right, thank you sir.

The Chairman: Questions from other Members? Okay. Alright, let's move on then to the assessment against the UN's criteria for E-Government programmes. Again, I call on Mr. Rankine to lead that discussion.

Mr. Isaac D. Rankine: Thank you, Mr. Chair.

The government aspires to be a world-class civil service, and therefore needs to understand how it compares against the best-performing countries, as you can imagine.

The United Nations has identified 19 criteria to determine the advancement of countries' E-Government programmes. In the response to recommendation five, you stated that you would consider the extent to which the United Nations criteria can inform the development of a government-wide E-Government strategy. With that, what is the progress in assessing the government's programme against the United Nations' criteria, and the outcome—if it has already been completed?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair.

Mr. Rankine, that is envisaged to be part of the work that goes into producing this Cabinet paper because I think these are some of the considerations that we have to put forward to Cabinet, to the extent to which we can apply these.

The first part of the Auditor General's document said, **"As part of our audit, we compared the Cayman Islands government programme against the United Nations' 19 criteria in 12 leading countries; however, it is worth noting that the Cayman Islands is not directly comparable to these countries, as it is a small jurisdiction and is likely to struggle to compete for the specialist expertise needed."**

I think we have to take that into consideration and put forward a very considered proposal to Cabinet, as to how these may apply. For example in here, under the institutional framework, it speaks to a National E-Government portal, which we have; it also speaks to a Chief Information Officer, and this is a structural change in how we would go about E-Government.

Now, it is obviously debatable whether the Cabinet's intention when they established the E-Government programme in 2014, when I was fortunate to be appointed the first Director of E-Government Unit, whether this Chief Information Officer post that is referenced here was intended to be the Cayman-scale version of that post. If so, then obviously that changes the paradigm from is it a yes or no; however, as an official title, we do not currently have [one]. I believe the Ministry had some thoughts on doing this, unfortunately I cannot speak to that.

However, what we started looking at, in preparation for this Cabinet paper, are other models such as the model that Singapore uses, where they have a government tech organisation and it closely aligns, but we have to assess how that might be applied and how it would be suitable in the Cayman context.

Mr. Isaac D. Rankine: Other than the Singapore model what other models are you guys having a look at currently?

Mr. Ian Tibbetts, Director - E-Government Unit: We are quite familiar with the Estonian model which also applies this concept of a Chief information Officer.

I think the question comes down to: Is it a specific person with that title, or is there an equivalent title with the same role and functionality? We obviously will look at other countries, but those are two of the most advanced today and both have that approach.

Mr. Isaac D. Rankine: But this would be something that the assessment itself would point you in how you develop that position of a Chief Information Officer, correct?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair. When you say assessment you mean the United Nations, or the exercise we intend to do?

Mr. Isaac D. Rankine: The exercise you intend to do.

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair.

Yes, sir. Part of the consideration that has to go in that Cabinet paper would be considering this and proposing the options that we would recommend.

Mr. Isaac D. Rankine: Alright, no further questions for me.

The Chairman: Others from the committee?

Alright, let's turn our attention now to the next major segment which is the governance arrangements for the E-Government programme. The person who will lead to questioning on this is Ms. Barbara E. Connolly.

Ms. Barbara?

Ms. Barbara E. Conolly: Thank you, Mr. Chairman. Good morning to everyone [here] and good morning to our listening public.

I am going to speak to the E-Governance Steering Committee. The Cabinet established an E-Government steering committee back in 2015 to provide strategic oversight and prioritize the E-Government initiatives' implementation. However, the Steering Committee did not meet after April 2017, and it appears that no other formal governance and oversight arrangements were put in place after that.

My first question to you, Mr. Tibbetts, is why did the steering committee not meet after April 2017?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair.

Ms. Conolly, so the April 2017 was the last meeting prior to the 2017 election. After the election in 2017, the E-Government Unit was moved from the Cabinet Office into the Ministry of Commerce, Planning and Infrastructure. The Ministries, to my understanding, are more responsible for the interaction with the Cabinet and the Cabinet papers from the E-Government have to go through the Ministry.

We were working with the Ministry in a proposal for reformatting the E-Government steering committee—for example, a natural evolution would have been to change some of the membership. The new Chief Officer wasn't part of the previous steering committee. The Cabinet Secretary would have been the relevant Chief Officer pre-election was still on the committee; so there were structural changes that were being discussed.

At the time the Chair, the Honourable Deputy Governor Mr. Manderson, asked about organising a steering committee meeting and to have then-Minister

Hew at the meeting, to present his intentions and desires for the steering committee.

I consulted Mr. Hew, and he indicated that he wasn't ready to proceed with that; he needed some more time to assess the situation, understand the departments and the status, and that we would reconvene at a later point. Subsequently, we never had a further meeting.

I think the second part of your question was around… Did you ask or did you state the part about the governance after that point, because I can elaborate on that.

Ms. Barbara E. Conolly: No, I didn't, but my second question is: It is now October 2022 and that was April, 2017 so—is there still not a steering committee established as of today?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair to Ms. Conolly.

That is correct. There has not been a steering committee meeting since that point. Since that point with the change in the structure and the reporting lines, the oversight and guidance has come through, I would say a different approach, more the budget and objective setting and the involvement with the Ministry and the relevant Minister.

Ms. Barbara E. Conolly: Thank you, sir.

Recommendation number two in the Auditor General's report states that **"The government should establish clear governance arrangements that provide effective oversight of the E-Government programme."**

The management response is that the E-Government Unit will continue to satisfy governance arrangements in the following ways:

- Submitting monthly Cabinet reports;
- Holding regular meetings between E-Government Unit and the Ministry;
- Completion of an annual report using all requested project tracking documents as required by (Cayman Islands Government) CIG procedure and law.

The Auditor General's report states that no formal governance and oversight arrangements were put in place after the committee ceased to meet after April 2017. My question is what current governance arrangements are in place now, and who provides oversight for the E-Government programme?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair to Ms. Connolly.

Continuing since 2017, the process has been as is normal for most departments and entities, via the budget. Thus we submit proposals, we submit for funding, and we get guidance on which proposals then Cabinet will approve and fund and those translate into requirements for outputs and get put into outputs put into objectives, et cetera. Through that planning process and the budget approval process, that continues to occur.

In addition to that, in that time since April 2017, there have been regular sessions where we have the opportunity amongst the Ministry to present to the Minister at retreats, to give updates on the processes and the projects. What we have also done is we have put forward the projects that we have identified, that we are aware of based on the demands, et cetera.

If there is a need to prioritize within them, then that is normally put forward to the Ministry and or the Minister, and it has been done with the Minister in some cases.

Ms. Barbara E. Conolly: Thank you, Mr. Tibbetts.

So is there any indication that a steering committee will be established? I mean, I am just… I am a little lost for words in that, you know, we need to establish clear governance arrangements but we have no committee established to steer, you know, the Ministry or your area in the right direction. Does the current Minister have any appetite to establish a steering committee going forward?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair to Ms. Conolly.

Unfortunately I am unable to speak to the Minister's perspective or appetite on it however, we intend to put that as part of that Cabinet paper for consideration—is that a model that is wanted?

I will say that there are parts of the role that was intended for the steering committee that are a challenge to operate and I think it would be fair to say that the steering committee, when it operated, there were aspects of its remit that it struggled with.

There are some logical things, if I may elaborate on just really quickly, that we need to address, need to figure out if we reconstitute the steering committee, et cetera. Things like: if the steering committee is going to prioritise and approve, how does it align to an existing Ministry that has gotten funding and has a commitment to deliver something on a different timeframe than the committee chooses to prioritise?

We have to work through the practical logistics if some of those things occur. Where it works well is in the case where—and this is normally for smaller departments, et cetera, they do not have funding or have a specific project that got approved through the budget process—so the steering committee can allocate funding to assist them, or for things that occur midstream. I think all of those need to be factored in that proposal that goes back to Cabinet and how we implement going forward, if it's going to be a different model from what is there now.

We are open to any approach as long as we think it can be effective and beneficial to the country, the government, et cetera.

Ms. Barbara E. Conolly: My last question is on the steering committee and your role. What role does your unit expect to have in any new governance arrangements?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair to Ms. Connolly.

One of the challenges that currently exists, and I think this is where the steering committee, there is some real need to resolve, is the autonomy for anyone to move forward independently. I think that's the logical place where the steering committee or the E-Government Unit would come in, is to try to find a way to meet the needs of government, but in a very structured way.

We started out with the authority of directives and it didn't work very well. We found that if we were going to actually make a difference and have success and help the Cayman Islands Government, then we had to take a more collaborative and cooperative approach, and be able to not just guide, but be able to do and deliver in many cases and that's where the department's role has changed significantly.

When it started out, it was me alone; obviously it could not have been expected even to project manage all the projects, or to actually execute whether its procurement or development of software and hardware and you name it. The department has grown, as you would have also seen in the report, and we are now better able to assist with actual implementation. We are also working with providing standards and guidelines for doing things, and that would tie in well with the strategy.

We are working closely, for example, with the Deputy Governor's office in some of the stuff that they are doing even now in the interim and how we implement a solution that is fit for purpose in the meantime.

Ms. Barbara E. Conolly: Thank you, Mr. Tibbetts.

Moving on to governance framework for E-Government projects. The Auditor General's report stated that there is no overarching governance framework for E-Government projects and this led to weaknesses in project governance. Examples of weak governance related to project sponsors not understanding their roles, and key project documents not being reviewed and approved, which we will come on to later.

For the public's edification, project sponsors are the RCIPS (Royal Cayman Islands Police Services), who owns the police clearance certificate online, and DCI (Department of Commerce and Investment), who owns the trade and business licence online platforms.

The Auditor General recommended that the Major Project Office governance framework for major capital projects could be adapted for IT and E-Government projects. We note that you did not accept this recommendation. We note that you stated the difference is the value of the projects. However, we are not clear why the governance framework could not be adapted. So my question to you is, can you provide reasons why the E-Government Unit believes the Major Projects office governance framework cannot be adapted for E-Government and IT Projects?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you Mr. Chair to Ms. Connolly.

I don't think it is a case of thinking it cannot because, obviously, we could move from one extreme to complete extreme in the adaptation; however, we believe that there are better alternatives that could be adapted easier.

The point that is made in the Major Projects Office, [is that] the minimum threshold for a project to be considered is $10 million. Some of the projects that we have done range from—if we talk about third party spend it may be US $20,000-25,000 over two to three years; if I talk about the point that is around total cost of projects, thinking about internal staff time and so forth, many of these will be in the under $50,000 range even, let alone under $100,000.

So, I think starting with something that recognises the different scales of projects and starts from accommodating small, would be a better choice. For example, something that I'm looking at is the UK government's project delivery framework, which recognises that the governance framework needs to adapt based on the scale of the risk and the value of the project. It also accommodates something that I imagine we will speak about at a further point, which the Auditor General raised, around the use of a project management approach called Agile.

The UK government's model, for example, does accommodate Agile, so we are looking at other alternatives that are easier to adapt I believe, than the Major Projects Office.

Ms. Barbara E. Conolly: Thank you sir. Is there a timeframe in which to have that framework established?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you Mr. Chair. I don't have a hard date set at this stage, however, I am in the process of looking at it myself and I have staff members that are looking at it.

We are going to do this in consultation with the Deputy Governor's office because one of the things that that we have to recognise as an E-Gov Unit, and I trust that others recognise, is that we are but one of the entities that help with bringing services online as the report points out, and we need something that can work not just for us, but for the wider CIG, so we have to consult with the others.

I would say that I believe a reasonable timeframe to have this done is probably, again, sometime in Q1 of next year.

Ms. Barbara E. Conolly: Thank you, sir. My last question on this area of governance framework is, are there any governance arrangements currently in place for individual E-Government projects?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair to Ms. Conolly.

We do follow standard processes. Depending on the scale of a project, obviously some legal requirements come into play—things like the procurement law and the use of business cases and so forth, so at a bare minimum, there is what is there legally; however, we go beyond that in a number of cases.

We are advising persons in line with the recommendations of the audit for example, of business cases for all projects, et cetera—so we have, and we are, adapting those to recognise the recommendations.

Ms. Barbara E. Conolly: Thank you, sir.

Moving on now to project governance roles. As previously mentioned, the Auditor General's report states that the lack of a governance framework resulted in poor governance in some instances.

The Auditor General recommended project sponsors should be clearly identified at the outset, and they should clearly understand their roles. I think in the report it speaks to the fact that the RCIPs they really weren't clued in on their online platform, so my question to you is: What actions are now taken to clarify project sponsors' roles and responsibilities?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair, to Ms. Conolly.

I think the report also speaks to the training provided for sponsors, et cetera, through the Strategic Reforms Implementation Unit under the Deputy Governor's office. We obviously have taken this on board and seek to ensure that in every project that we work with, the sponsors are clear.

I think being taken from a training perspective is the right matter. You would normally expect that a senior leadership team would be clear on their roles as project sponsors and business process owner however, we are seeking to ensure that, as we go through each project, we clarify who is the sponsor, what the roles are and what the expectations are.

I think the challenge in the Cayman Islands government is, for those persons that are truly the sponsors of projects, finding the time that is truly required to be an effective sponsor in a project.

Mr. Ian Tibbetts, Director - E-Government Unit: Thank you Mr. Tibbetts. That's the end of my line of questioning in this area.

Thank you, Mr. Chairman.

The Chairman: Thank you, too.

Members of the committee, we are really starting to run a bit behind time in terms of getting through the questioning of this witness so as we continue with the questioning, you might want to take a look at some of the questions that we have prepared, whether we can safely not ask those questions and still maintain the thrust and the level of the inquiry.

You might also want to take a look at some of the preambles as well, to see if there is any way you can shorten them up, so we can get to the essence of the questions that we have to ask, so let's proceed.

The next area that we want to examine is project planning and management and again, Mr. Rankine is going to be leading that discussion and those questions. Mr. Rankine.

Mr. Isaac D. Rankine: Thank you, Mr. Chair.

Mr. Tibbetts as you're aware, in this life and a prior life, it is good practice to prepare business case for projects that clearly set out the project's objectives and the expected benefits that will obviously justify the investments that are needed.

The Auditor General made note that there were only four project reviewed that had a business case, and she also noted that you had started to prepare business cases for more recent projects. In your response, you stated that business cases are already required under the Procurement Act for Value Greater than $100,000.

The Auditor also noted your response to recommendation three in the report said that most of ID projects cost less than $10,000 so my question is the number of business cases that E-Government Unit has prepared, what are the number that are jointly prepared and the value of those projects. Do you have that information that you can share with this committee today?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair Unfortunately I do not have that information with me today. I can work to get it for you.

I think you used a very salient word in there—jointly prepared—because, obviously, the business case is the responsibility of the sponsor of the project. But we are normally involved in assisting, and certainly, recommending to them that they implement or executed business case.

I think it should be pointed out that the four projects that were reviewed were quite some time back and conducted in many cases, while there were very limited resources within the department. Also, of the four cases reviewed, one was a complete standalone and at least two of the others I think, were considered to have been part of an overarching E-Government business case, hence the reason that there wasn't a dedicated business case for that specific project.

Additionally, when I joined the civil service in 2014, I asked about this, because coming from private sector, you know, I am accustomed to certain things that way. To understand how, what was the way for accounting for and recording and reporting on cost of projects, et cetera. My understanding was that it is based on third-party costs and that's where obviously, again, it comes under the Procurement Act because we are only talking about third party costs in that case.

Now, again, since the audit, we have been advising business sponsors that they will need to do a business case in all cases, and guiding them accordingly.

Mr. Isaac D. Rankine: Thank you. How do you document for projects $100,000 and below, the objectives and expected benefits for future reference, and then in order to justify that investment?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair.

Mr. Rankine, so even prior to this guidance to do a business case in all cases, we would, for those projects typically, and most of those would have been projects that are being done with in-house resources... Many of our projects involve software development or some form of software.

Before we can scope a project, obviously, we have to sit with the business process owners and understand the reason for the project: why is it that they want to do something, what is it, what would be the scope of that project and what will need to be the deliverables. If I speak to one of the recent ones that you would have seen—like what was done for the Needs Assessment Unit. That was exactly a case.

There was a request to have a system and improve the customer experience and service to the people. We evaluated what the situation was; helped to identify what we recognised from an outside perspective; met with the team, met with the business process owner of the Ministry, et cetera, and clarified what the objectives were and agreed what the scope would be, what the timeline would be, and proposed options for how it could be done and what would be required. The option chosen was doing it with internal resources, almost as a triage-type project, and that was all mapped out.

That's the way we would do a small project.

Mr. Isaac D. Rankine: Thank you, sir, for that clarification. Quickly on project plans, because I know we are running short on time. For the projects that you are involved with, do you have project plans that are clearly set out timelines and the team members' roles and responsibilities—all the things that surround a project plan.

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair.

What we haven't been doing, necessarily, is creating a singular project plan document and I think you will see in here that many of the pieces reference as the standard for project plan are there and they are in different formats, et cetera. They are not in a document format. The tasks, the deliverables, the timelines, the objectives, and monitoring and managing those are all handled.

I think one challenge is around the structure other than the level of structure that is normally captured into the business case, because the resources on most projects in government are so varied, you know, we are unable to commit resources in most cases. Today it might be John, tomorrow it's Jane and the day after, so some of that level of detail is not recorded there, it is more recorded through action planning.

Mr. Isaac D. Rankine: Okay, thank you sir.

Lessons learned reports: we understand that lessons learned should be documented so future projects and other team members can benefit from them, and in your response to recommendation 10, that you already use project closure templates and would also include requirement to share lessons learned to the new E-Government-wide strategy. What are the lessons learned so far, from project closures within the E-Government Unit, and have those lessons been shared with the stakeholders?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair.

The project closure report has to be done and signed off by the business process owner sponsor/stakeholders so, by the very nature of those we do have, effectively, a post-mortem of the project and it captures those. On an ongoing basis yes, we do that and those are worked through with the team.

I think the recommendations are very specific to the individual project in most cases. There is not a standard, or a common, re-occurring, recommendation that I can think of as we speak, that has come out of these closure reports. One thing I think that came out of early closure exercises, whether documented or undocumented, was the extent of resources needed by the business process owner for testing and the level of testing that needed to be done during the projects. That's one that has been fairly consistent across many projects.

Mr. Isaac D. Rankine: Thank you sir. Those are all my questions.

The Chairman: Okay, were going to turn our attention now to the performance and value for money segment of the report, and for that I am going to turn to Ms. Barbara E. Connolly.

Ms. Barbara E. Conolly: Thank you, Mr. Chairman.

The Auditor General's report stated that the E-Government Unit has made significant progress in developing the National Identity Register and ID card project; however, before it can be introduced the project requires primary legislation which is expected to be presented to Parliament later in 2022—and I understand our next meeting of Parliament could potentially be in December, okay?

My question is whether the supporting legislation is the only remaining barrier to launching the national ID Project and whether we are on schedule to present this to Parliament at the next meeting.

Mr. Ian Tibbetts, Director - E-Government Unit: Through you Mr. Chair, to Ms. Connolly.

I believe in terms of putting legislation forward it is the domain of the Ministry; however, I know that there has been significant effort on it and I believe it is anticipated that this will be brought to the next meeting of Parliament.

Ms. Barbara E. Conolly: Thank you, sir. That is very good news, I think we are all very anxious to have that up and running.

My next question is on the E-Government Unit output measures. The Auditor General's report states that the E-Government Unit budgeted output measures do not align with the four objectives set out in the 2015 Draft Strategy. In addition, the output measures did not always measure the right things and it is not clear how they contribute to outcomes throughout the government.

We note your response to recommendation four that you will take this into consideration when developing the output measures for the next budget cycle, which is the 2024-25 cycle. However, we are aware that budget submissions for 2024-25 will need to be ready by the summer of 2023—9 months' time. What progress has been made in identifying better output measures to feed into the next budget cycle?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair. I didn't look to find that part before answering this, but I believe it also recognised that in the more recent—no, sorry. I'm making a mistake here.

Some of the points that were identified here before the prior budgets I think have been improved in the current outputs that are defined. One of the challenges that I think we have a difference of opinion on is: For us to commit to an output we need to have an ability to influence it. For example, given that we are driving the National ID project et cetera, we can speak more directly to that. We can undertake outputs that are material, that relate to the National I. D. Project.

Something that was highlighted, for example, is the number of projects started. We are a project-delivery partner for many of the entities. If a department starts a project and their priorities change, or they don't work with us to achieve the output in a timely manner, it is difficult for us to undertake a commitment in the project completion. I think how we measure those things, is where we have run into some problems.

We have gotten better, we have got better data on the number of transactions online, et cetera and we have focused on refining those. However, again, we can implement a project to make a particular service available online. If a business process owner does not leverage that solution in such a manner—for example, if they don't give those prompt attention, so customers don't feel like they are getting the level of service from that online service, then it is not going to have the usage.

We're in a difficult situation to undertake to have a commitment for how many people are going to use that service, when we don't have control beyond... We can implement a solution that can support a volume, we can implement a solution that is customer-friendly. If the delivery behind it, or if the department otherwise...

Those are some examples of where we run into difficulty with the types of outputs that are desired, but we definitely have improved, I believe, some of the ones where it specifically talked about number of services, take up rates, et cetera.

The Chairman: We now want to turn our attention to customer involvement in the designing and testing of online services, and also the single website for all government online services, and for that I am going to turn to Mrs. Katherine Ebanks-Wilks to lead that line of questioning. Mrs. Wilks.

Mrs. Katherine A. Ebanks-Wilks: Thank you, Mr. Chair. Good morning, Mr. Tibbetts. My first question in relation to customer involvement in the design and testing of online services.

The government needs to have a clear understanding of customer views, including what they want and need from an online system. However, the Auditor General reported that departments were not routinely consulting customers before developing new online services—actually, let me just go over the recommendation.

We note that the response from management in relation to, well actually let me just go over the recommendation. Recommendation 13 focuses on customer testing rather than system design, and we note that management generally suggests customer testing, but I think you stated in your response that you cannot force business owners to comply with customer testing. I wonder if you are able to speak on any of the risks that you find are associated with not carrying out or acting on, the results of customer testing.

Mr. Ian Tibbetts, Director - E-Government Unit: Through you Mr. Chair, to Ms. Ebanks-Wilks.

Let me break it into two categories. In some of the projects that we are currently doing, like the National ID, E-Gov is heavily involved as a process owner, at least initially. For all of the projects that we are involved in, we very actively seek customer input. As we go through we test and ensure that we involve customer testing.

In terms of the customer input in the service, we seek to glean that from a variety of ways. In many cases, through customer feedback that has come through in terms of complaints—some through the Deputy Governor's Office, others through different departments, Ministries, et cetera. For existing services, we are also actively using the happy or not customer satisfaction feedback tool and taking all of those things on board.

In our more recent projects we have been using, where it's available internally, user experience and user interface design expertise to address those aspects. Coming from private sector, clearly we would want to start with the customer—ensure that we design a solution that the customer will buy. In the civil service it is a little different in some cases, in that the service has to comply with the law. That's a fundamental: you first have to meet the law. That is not to say that if the customers' feedback is suggesting the process as defined by law or applied to fill the law is cumbersome and problematic, that the law cannot be changed to facilitate a different type of user experience.

But to try to get a pointed answer for your question: we use customer testing. You mentioned the portal. The portal is in what we would call a soft-launch stage, and we are actively collecting customer feedback. We are also inviting persons to participate in focus groups to get more pointed feedback on the service, and that will be incorporated into the design. As I said, anytime we are assisting another entity with a project, we seek to understand the customer perspective because that needs to factor into the design, and then we need to test it to ensure that it has been achieved.

Mrs. Katherine A Ebanks-Wilks: Is it safe to say then, that your position has changed in relation to your response to recommendation 13, and you are now acting on the results of customer testing?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair.

I don't think it is significantly different from what's here. What I have clarified, is that in the cases where E-Gov is the project owner, we employ the standards as I recommended, basically. In cases where we are a project-delivery partner for an existing entity, we do our endeavour best to extract that information and we advise the business process owner, however we don't have the authority to dictate.

Mrs. Katherine A Ebanks-Wilks: Thank you.

[Pause]

Mrs. Katherine A Ebanks-Wilks: Actually, I have one more question on that—sorry, Mr. Chair.

The Chairman: Go ahead.

Mrs. Katherine A Ebanks-Wilks: Can you share your views on how you can involve customers in the design of the online services?

Mr. Ian Tibbetts, Director - E-Government Unit: Through you, Mr. Chair.

There are a number of methods that are viable. Some work better than others in different cultures. A common way, if it is a brand new service from the ground up, is that you engage and get input from customers on how this might be designed—what are the things they would specifically want and wouldn't want—and you reflect those accordingly.

If it is an enhancement or a revision of something that's existing, oftentimes you're able to get a lot of good insight to start with and you can then propose a way forward and then ask for customer feedback on it. Generally, I have found that the latter tends to work better here; finding that when we started with a blank sheet we have struggled to get material benefits.

It has been much easier for someone to critique something—they like it or they don't like it or they want it different—than to start and say, *"Well, what would you want?"* because it is not necessarily their role to have thought of that.

The Chairman: Mr. Tibbetts, we are down to the final area of the report that we wish to question you on, so we are near the end.

We want to turn our attention now to the monitoring of project costs. Can you tell the committee whether the time spent by the E-Government Unit and computer services department on E-Government and IT projects is currently being tracked?

Mr. Ian Tibbetts, Director - E-Government Unit: Mr. Chair, I think I would have to say accurately, no.

We are not in a situation where we have the luxury of dedicating resources in many cases, there are some cases when we have that ability so we can dedicate a project manager on a big project to be full time, we can dedicate a business analyst to be on the project for a particular period of time, or we can dedicate one or two developers or whatever. But in many cases it is very varied amounts of time throughout the course of a day, by different people.

You asked about CSD (Computer Services Department) and E-Gov so I've only spoken to those areas. Obviously, this applies in the business process owner as well. We currently don't have a mechanism to accurately record that time, so this is something that has been brought up with the finance team as well, because I think the Auditor General's office asked about this for capitalisation.

There is a new system being implemented in government that has a different method of time tracking. The extent to which it can be used to facilitate this is yet to be determined I would say, from my perspective. But as of right now, I think it would be onerous and inaccurate, with the current methods, for us to try to reliably capture the amount of time on any one specific project by a particular person, so that we can deal with that.

The Chairman: Just a quick follow-up question. The government has a time-recording system, a method and system for tracking time for staff. Is this not being utilised by your unit, in terms of tracking these internal costs of developing software?

Mr. Ian Tibbetts, Director - E-Government Unit: Thank you, Mr. Chair.

We are in transition now between two different systems. In the new system, which I think is called myVista, we have yet to start using the time tracking in the way that it would be required to achieve what we are seeking here, which is really being able to track it at a fairly granular level, because of the constant moving that we have between projects.

The Chairman: You do agree with me—well, I don't want to put it as a leading question.

[Is it] fair to say then, that in terms of these projects that you have been engaged in and you have delivered, that there is no recognition in the costs of developing these E-Government services? That there is no cost of the human resources—i.e. time, that is built into, or recorded, in terms of the overall cost of these services or software, whatever it is you want to call it, that you have delivered for government.

Mr. Ian Tibbetts, Director - E-Government Unit: Mr. Chair, it is accurate to say that currently it is not recorded in such a way, correct.

I think it would be reasonable that we could provide, certainly in recent projects and even before that, some reasonable estimates of what it would be. However, it isn't definitive and I think the accounting standards that apply apparently specifically indicated that you can only—this is isn't from the project side, I think this is more from the asset valuation side of it—that it is only and only if the time can be accurately recorded.

The Chairman: Okay, so when you give estimates then, of some of these projects costing 10 up to 15 maybe, most of them being less than $100,000, the only real costs that you are focused in there are going to be your hard costs, or costs of external services or professionals that you might need to co-opt or whatever in order to deliver on these projects. There is no dealing of any sort of soft internal costs in identifying the overall costs of the projects.

Mr. Ian Tibbetts, Director - E-Government Unit: Mr. Chair, as I think you may recall from earlier, I was able to give an indication.

Like for the Scholarship Secretariat project, I understand what the third party cost is and, based on experience to date, I have a reasonable estimate of the staff costs as well, but it is very much an estimate—it is not based on any measure.

The Chairman: All right, thank you for those answers as well.

The Auditor General in her report recommended that key performance indicators (KPIs) for projects are clearly defined, monitored and reported. In your response you said that "**This is a matter for the business case primarily, and has to heavily involve the business process owner"**. I understand that, but you also said the E-Government Unit would address it in the government-wide E-Government strategy.

Can you tell us whether the E-Government Unit can assist business owners in developing performance indicators, and how you can assist them in doing so for all the projects that you are involved in, pending a government-wide E-Government strategy? So, looking at whether you can help, and how.

Mr. Ian Tibbetts, Director - E-Government Unit: Yes, sir.

Mr. Chair, we continue to do this. When they consult us on a business case, a draft business case, what we are often able to do is, because of experience, recognise where benefits may actually be realised and measurable, and identify those benefits to persons. We also recommend to them that, in some cases, they will need to capture baseline data that may require manual exercises; they may need to count and measure time.

This was something we did with the police clearance system, for example. We hired a team of interns and literally sent them to the office. They measured everyone from the time they came through the door to the time they were at the counter; the time they left the counter to the time they exited the door, how much time they spent. They interviewed them and identified how many visits they would have to make [and] where they came from, and they provided estimates of their travel time—how much time out of their day this was costing, et cetera, so that we got a baseline perspective and we could then identify.

The project that was reviewed here delivered the first phase which eliminated 50 per cent of the visits if you used the online service; you didn't have to go to apply, and then return. You only had to go to collect it. Those are things for example, where we would help them with identifying how they can establish a baseline and what such a metric might look like for the outcome.

The Chairman: Well, that concludes my line of questioning unless Members of the committee have other questions they want to raise with the Director.

No? Okay.

Mr. Tibbetts, I want to thank you for appearing before the committee this morning and for your responses to the questions. I am going to excuse you at this time, sir. Thank you.

Mr. Ian Tibbetts, Director - E-Government Unit: Thank you, Mr. Chair, and thank you to the committee for the opportunity to present to you.

The Chairman: Members, let's take a five minute break.

Meeting suspended at 11:52 am

Meeting resumed at 12:00 pm

The Chairman: Thank you all for returning to the Chamber quite expeditiously.

We want to move on next to our witnesses in the next session and for that, I am going to call on Mr. Eric Bush, who is the Chief Officer in the Ministry of Planning, Housing, Agriculture and Infrastructure, and the former Chief Officer of the Ministry of Investment, Innovation and Social Development, as well as Ms. Tamara Ebanks, who is the Acting Chief Officer in the Ministry of Investment, Innovation and Social Development.

Ministry of Investment, Innovation and Social Development

The Chairman: Good afternoon, Mr. Bush and Ms. Ebanks. Welcome to this hearing of the Public Accounts Committee. We know you all are familiar with the report. We are here to get the Ministry's viewpoints with regard to the contents and recommendations therein, so I am glad that you're both here.

Mr. Bush, you are here in terms of your role as the former Chief Officer in the Ministry that has oversight for the E-Government Unit. And Ms. Ebanks, as the successor. I recognise in terms of the course of the questioning, that both of you might not be able to answer a question and there is no real need for both of you, but you may need to [liaise] to determine who is best to answer the questions as we go along.

I just have a very brief preamble to read for you both. The Auditor General's report states that the government first launched its E-Government initiative in 2010. The report acknowledges that significant progress has been made since then with a number of government services available online.

We understand from your response to the Auditor General's recommendations that the Ministry and the E-Government Unit plan to develop a government-wide E-Government strategy. However, we also understand that developing the government-wide strategy is going to take some time. Therefore, we are keen to know what measures can be taken to address the Auditor General's recommendations in the meantime, and Members will follow up on this during our hearing.

We heard from the Director of E-Government earlier this morning, and are now interested in your perspective from the Ministry level. We appreciate that the E-Government Unit only moved into the Ministry of Investment, Innovation and Social Development in July 2021, and so you may not be able to answer historical questions.

We also realise that the E-Government Unit is not involved in all E-Government projects across government. However, we are interested in your Ministry, and the E-Government's role in the E-Government programme, and those projects that the E-Government Unit is involved in.

The first line of questioning that we wish to explore with you is the strategic direction and governance issues and for that, I am going to turn to Mr. Isaac Rankine to lead the questioning there. As he asks the questions, the first time that each of you might answer, please state your name and position for the record. Welcome to the committee.

Mr. Rankine, please lead with the questioning.

Mr. Isaac D. Rankine: Thank you Mr. Chairman.

I want to welcome you both to this hearing. As the Auditor General noted in her report, and the Chairman alluded to, the need for E-Government's strategy which is aligned with good practice and cited in the United Nations guidance.

The Director also prepared a revised E-Government Strategy in 2021; that was after it kind of got put on pause in 2015. The Auditor General said that the draft improved on the previous version, but still had significant gaps and it didn't specifically mention objectives to improve the efficiency of joining up government.

However, as the Chairman has also mentioned, it may take some time to develop and finalise a revised strategy, which we understand, but we would like to know is, what is the Ministry's role in developing the proposals for Cabinet, and a new strategy. What would be the Ministry's role in doing that?

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Tamara Ebanks, Acting Chief Officer for the Ministry of Investment Innovation and Social Development.

Through you, Mr. Chair, the Ministry's role would be to assist in the drafting of the Cabinet paper for the proposal for the (Cayman Islands' Government) CIG-wide E-Government strategy. You will note from the recommendations in the Auditor General's report that we definitely accept that recommendation.

We had an implementation timeframe for Q4 of 2022, and with the focus right now on the National ID legislation and identification register, we don't think that is a realistic timeframe anymore because of the resources that are being taken progress the legislation and that particular project forward.

We feel that quarter one of 2023 would be a more realistic timeframe for implementation, and we would support the E-Government Unit in putting that proposal forward to Cabinet.

Mr. Isaac D. Rankine: Thank you, Ms. Ebanks.

That leads to something I would like to bring up now, based on what the Director mentioned in his presentation earlier today. He mentioned outsourcing some of this, but we know that the Ministry has policy officers so why can't they assist the Director and his team in developing some of these policies versus outsourcing it.

You have a 2015 draft that didn't go anywhere, and an updated 2021 draft. With that in mind can you say if assistance from the Ministry down to the E-Government Unit will make things better and help speed it up—if you can give them some support from the policy officer level?

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Through you, Mr. Chair.

At this time, I would not be aware of the scope of work that that would entail. While we can offer our support from our senior policy advisors and also our Acting Deputy Chief Officer for Investment and Innovation, the scope of work in terms of what we would like to even see in that proposal, has not been discussed with the Minister or E-Gov in terms of what it would take to actually produce that proposal for that strategy.

Mr. Isaac D. Rankine: Thank you. But, based on what you said, do you now think that Q1 of 2023 is realistic, then?

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Through you, Mr. Chair.

Because of the resources that it has taken to do the National ID Project, it gives us a little bit more time if we aim for a target timeframe of Q1 2023 to understand the direction we need to go and what would be included in the CIG E-Government-wide strategy.

Mr. Isaac D. Rankine: Thank you. What assurances can the Ministry give that the new E-Government strategy will align with good practices, and address the gaps that the Auditor General [found] namely, improving efficiency and joined up government?

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Through you, Mr. Chair. We have accepted the recommendations from the Auditor General's report and noted the concerns of improving efficiency and also a joined up government. We would expect any strategy would include that, sir.

Mr. Isaac D. Rankine: We also asked the Director earlier how the new government strategy will incorporate the needs of users who may not really have access to the internet. Could you comment on that and give us feedback on that from the Ministry's perspective please?

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Through you, Mr. Chair. We would actually consult with E-Government on how to address those problems and look at identifying solutions.

There may not be one single solution, but I think through consultation we will be able to address that.

Mr. Isaac D. Rankine: What would be the Ministry's role in assessing the E-Government programme against the United Nations' criteria that the Auditor General mentioned in the report?

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Through you, Mr. Chair. We would work really closely with E-Government Unit to look at the United Nations criteria and whether it could be fit for purpose for this jurisdiction.

Mr. Isaac D. Rankine: Can the Ministry provide an update on the assessment, and how it would be used to inform a new E-Government strategy from the U.N. criteria point of view.

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Through you, Mr. Chair, I do not have the answer to that at this time because the work has not yet started, to look at the U.N. criteria.

Mr. Isaac D. Rankine: Thank you Ms. Ebanks.

The Chairman: Turning now to the governance arrangements for the E-Government programmes. I turned to Ms. Barbara Conolly for that line of questioning.

Ms. Barbara E. Conolly: Thank you, Mr. Chairman, and good afternoon to our witnesses.

My question relates to the E-Government steering committee. The Auditor General's report highlights that formal governance and oversight arrangements for the E-Government programme was not in place after April 2017. In response to the Auditor General's recommendation, you stated that fit-for-purpose governance arrangements would be developed as part of the new government-wide E-Government strategy.

What oversight of the E-Government programme is currently in place, and who provides that oversight?

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Through you, Mr. Chair.

The E-Government programme is in consultation with the Ministry at this time in terms of what projects they can undertake and what entities they can assist with in terms of any online services.

I was not privy to the governance framework in terms of the E-Government Steering Committee. That would have been before my time, so I cannot speak specifically to that.

Ms. Barbara E. Conolly: Thank you, Ms. Ebanks.

What is the Ministry's role then, in providing governance and oversight for the E-Governance programme?

Mr. Eric Bush, Chief Officer, Ministry of Planning, Housing, Agriculture & Infrastructure (Former Chief Officer, Ministry of Investment, Innovation and Social Development): Through you, Mr. Chair.

Eric Bush, Chief Officer, Ministry of Planning, Agriculture, Housing and Infrastructure; previous Chief Officer for Innovation, in this context.

I think it is important, Mr. Chair, to explain that there are two things at play when we are talking about E-Government: there's e-government as a strategy, and then there's E-Government as a functioning, operational, government department.

As highlighted and agreed by the Auditor General and her office, there is a need to have an e-government-wide strategy that the entire government would be responsible for implementing. It would touch all of the departments, all of the customers, and how they interact with government—government services, communication—which would include aspects of cybersecurity, data protection, customer service, process re-engineering, implementation, et cetera.

Then there is the other side of the operational arm of E-Government that you heard from the Director today and they have been working towards digitizing the various government services in line with government priorities. But I think that the big gap as identified, and as agreed to be advanced and presented to the government, is an E-Government strategy.

In terms of the Ministry's role of performance management for the operational arm, it is in line with implementing the priorities of the government of the day, and the projects they want to see implemented. I hope that helps.

Ms. Barbara E. Conolly: Thank you, Mr. Bush.

Another question is what assurances can you both give this committee that government arrangements will be included in this government-wide E-Government strategy?

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Through you, Mr. Chair. I can give assurances that we will have a proposal ready by Q1 of 2023.

Ms. Barbara E. Conolly: Thank you, Ms. Ebanks; I will hold you to that.

My next question relates to governance framework for E-Government projects. The Auditor General's report stated that there is no overreaching governance framework for E-Government projects—for example, project sponsors not being clear about their roles and key project documents not being reviewed and approved. For instance, the RCIPS and their online police clearance certificate—they didn't seem to have much knowledge of how it all works. It was basically from the Director and the E-Government department.

The Auditor General recommended that the Major Project Office governance framework for major capital projects could be adapted. However, this recommendation was not accepted with cited differences in the values of E-Government projects as the main reason. Can you both state the reasons why the Ministry believes the Major Project Office governance framework cannot be adapted to E-Government and IT projects?

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Through you, Mr. Chair.

The Major Projects Office's criteria is applicable to projects that are over $10 million, and most of the projects that have been undertaken are under that value.

Ms. Barbara E. Conolly: But wouldn't the framework be similar? Just a bit of tweaking—or it just wouldn't apply?

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Through you, Mr. Chair.

I would agree with the recommendations from the Auditor General's report in terms of the project sponsors knowing their roles.

In terms of the framework from the Major Projects office, once again it would have to be fit for purpose for the particular project that we are undertaking, so we would have to look closely at that criteria to see whether or not it could be fit for purpose for projects that are under the $10 million.

The Chairman: If I could follow up from my perspective.

I understand the recommendation and I think, really, what I would focus on is on taking it and adapting it. It is a framework; it is something that everybody in government knows about and, if they are doing any sort of procurement, they are familiar with it and work with it. I think the recommendation we are really looking for is ways in which it could be scaled to make it fit for purpose.

I get it. As it exists it doesn't, it isn't fit for purpose—and I think we all agree on that. But… I don't want to put words in anyone's mouth but, I mean, I think the recommendation suggests if you have to go out and source or develop a new framework, it is just another framework that everybody is going to have to do.

It just seems to be more efficient, more likely that you get much stronger buy in and follow-through with taking something that already exists, and cutting out what you don't need and adding what you do need to make it fit for purpose. I think that is where the recommendation comes from and what it is trying to achieve. It strikes me that rejecting it just because it applies to things over $10 million dollars, is not necessarily the right thing to do.

I would encourage—because I did not really ask you a question but tried to explain—that the Ministry and/or the Office, the Unit, take a real closer look at it. Revisit the whole thing once again to see what can be done, because I think we could have something in place quite quickly.

Mr. Bush.

Mr. Eric Bush, Chief Officer, Ministry of Planning, Housing, Agriculture & Infrastructure (Former Chief Officer, Ministry of Investment, Innovation and Social Development): Yes, sir.

Mr. Chair, the Acting Chief Officer and I spoke briefly and, because the major projects office now falls under my remit, we agreed that we will have a meeting with the subject matter experts in project management and the Ministry of Innovation and E-Government to see how we can adapt and create a framework not recreating the wheel.

The Chairman: Thank you, sir.

Ms. Connolly, I believe you have the next area which is performance. Or did we get through that?

[Inaudible interjection]

The Chairman: No, performance and value for money.

Ms. Barbara E. Conolly: Thank you, Mr. Chairman.

Okay. This line of questioning is on progress against the objectives for E-Government.

The Auditor General's report stated that the E-Government Unit had made limited progress on the objectives in its 2015 draft strategy and recommended that **E-Government should monitor progress on the government's overall objectives by requiring regular progress reports from the E-Government Unit and ensure remediation is in place in all areas where progress is unsatisfactory**.

You committed to address progress reporting requirements in the government-wide E-Government strategy, and my question is what measures are currently in place for the Ministry to hold to account the E-Government Unit for its performance.

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Through you, Mr. Chair.

In the Ministry we ask for monthly Cabinet reports in terms of the performance of all of our departments, not only financial reporting but output reporting as well—that's one way that we can hold them accountable in terms of monitoring the performance of the unit. We hold regular meetings between the Ministry and the E-Government Unit. We also produce, as you would know, an annual report that looks at the performance of the E-Government Unit under the Ministry, and we also use some of the project tracking documents that we have.

We have agreed to the recommendations in terms of having these things as best practice, so we will be working with them closely to include this in the E-Government wide strategy for Government.

Ms. Barbara E. Conolly: Thank you, Ms. Ebanks. Moving to the National ID Programme.

The report stated that the E-Government Unit had made significant progress in developing the National Identity Register and ID card project, however the project requires primary legislation before it can be introduced, which is expected to be presented to Parliament later in 2022.

Can you give some assurance that this legislation will be presented to Parliament at the next meeting, which I understand could potentially be in December?

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Through you, Mr. Chairman, we are on track for that target to be implemented—to bring the legislation forward to Parliament.

The Chairman: I do have a follow up if I could, because I'm keenly interested in it.

Legislation is just one part, you know; it is a critical element, but in terms of the back end of it—whatever software or whatever it is you need to develop or have in place…Is that all ready to go?

Mr. Eric Bush, Chief Officer, Ministry of Planning, Housing, Agriculture & Infrastructure (Former Chief Officer, Ministry of Investment, Innovation and Social Development): Yes, Mr. Chairman.

That was procured within the last year and the company that won the public bid is well-versed in national IDs. This is their business.

The Chairman: That's good to know. I'm just trying in my own mind to formulate some view or idea as to when it might be a reasonable expectation that we could see this programme actually commence operations.

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Mr. Chair, I don't have that information with me, but I can provide it to the committee in terms of the implementation timeframe for launch.

The Chairman: I do appreciate that and thank you. I was not looking for a firm date to hold you to, just some indication, you know? Q1, Q2, late 2023. Who knows? Okay, thanks.

Ms. Barbara E. Conolly: Okay, this is my last line of questioning. It is on the E-Government Unit's output measures.

The Auditor General's report states that E-Government Unit budgeted output measures do not align with the four objectives set out in the 2015 draft strategy. In addition, the output measures did not always measure the right things, and it is not clear how they contribute to outcomes throughout the government.

We note your responses to recommendation 4 states that this will be taken into consideration when developing the output measures for the next budget cycle, which is 2024-25. However, we are aware that budget submissions for 2024-25 will need to be ready by summer of 2023, which is nine short months away.

What is the role of the Ministry in identifying better output measures for the E-Government Unit in advance of the next budget cycle?

Ms. Tamara Ebanks, Acting Chief Officer - Ministry of Investment, Innovation and Social Development: Through you, Mr. Chairman.

The Ministry works very closely with E-Government Unit to produce output measures for the 2024-25 budget. I was not involved in the preparation of the output measures for the 2022-23 budget, but I can give assurances that we will work with E-Government Unit to improve on those output measures for the next upcoming budget period.

The Chairman: Are there other questions from the committee? Okay. We got through with you quickly.

Mr. Bush and Ms. Ebanks, thank you both for appearing this morning. Sorry we were a little bit late with you, but we finished exactly on time. I thank you for your appearance this morning and the frank way in which you answered our questions. You are excused at this time; thank you all.

Members of the committee, it is now 12:30. We will go ahead and take the lunch break now and recommence at 1:30pm sharp. Our final witness for today's hearing will be the Deputy Governor, the Honourable Franz Manderson, who will join us at 1:30pm. Thank you all.

Meeting suspended at 12:32pm

Meeting resumed at 1:36pm

The Chairman: Good afternoon to all Members of the committee. I would like to call the hearing to order.

We are on the final stretch, and at this time I would like to call the final witness for the afternoon—for the day, I should say: the Honourable Franz Manderson.

Deputy Governor Manderson, welcome to the committee and good afternoon to you, sir.

Portfolio of the Civil Service

The Deputy Governor, Hon. Franz Manderson, Head of the Civil Service: Good afternoon, Mr. Chairman and Members. Thank you for having me.

The Chairman: Mr. Manderson, the Auditor General's report states that the government first launched its E-Government initiative in 2010 and acknowledges that significant progress has been made since then with a number of government services now available online. That is good news.

We understand that proposals are being developed for a new government-wide E-Government but it may take some time before a new strategy is in place. We also noted that in a number of responses to the recommendations, the E-Government Unit stated that it is not responsible, and cannot enforce some issues. Some of these are cross-government issues and others require a change in approach.

We heard from the Director of E-Government and the previous and currently Acting Chief Officers this morning. We now want to hear from you about the high-level direction and leadership that is being provided–specifically, actions that can be taken while we await a new strategy and on how some of the cross government issues can be addressed.

With that statement setting the tone and the direction in which the committee wishes to proceed this afternoon, I will open up the questioning to the Members of the committee. We are looking first at the strategic direction and governance, and I will call upon Mr. Rankine to lead that line of questioning.

Mr. Isaac D. Rankine: Thank you, Mr. Chairman. Good afternoon, Mr. Manderson.

The Deputy Governor, Hon. Franz Manderson, Head of the Civil Service: Good afternoon.

Mr. Isaac D. Rankine: As the Chairman alluded to, we had discussions with the witnesses before you sir.

The Auditor General's report highlighted a need for the E-Government strategy to align with good practices, and cited United Nations guidance.

We understand that the E-Government Unit and the Ministry planned to submit proposals to the Cabinet in Q4 [of 2022]; they said that they are not going to meet that timeline now, but more likely in Q1 of 2023. We are therefore keen to establish what can be done in the meantime, to get some assurances on the content of the new strategy going forward.

Therefore the first question to you, sir, is: Do you know the reasons the 2015 E-Government strategy was never finalized?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Thank you.

Mr. Chairman, Franz Manderson, Deputy Governor and Head of the Civil Service. Mr. Chairman, the Member is correct; there was an E-Government steering committee—I think I chaired it.

There was an E-Government strategy being progressed but there was a change in direction following the election, and it was decided that there would be a different focus. The Government of the day was very keen to take forward E-Government, they decided to do it in a slightly different way.

What I think transpired then, is that the Government also decided at the time that it was absolutely necessary for us to get our National ID. We wanted to make sure that our cyber security was at its highest. The government of the day invested a lot of money in making sure that our cyber security systems were state-of-the-art. There had been certain gaps in our cybersecurity.

The reason it was so important was because, when we have joined-up E-Government services it means that, if there is one service or one department or one agency, where there is a link and someone infiltrates that link, then they get right into the entire government network. So there was a pause to say, "*before we continue to deal with E-Government to provide new services, let us ensure that our cyber security systems are state-of-the-art.*"

I am pleased to say that that investment worked, and I feel very comfortable today as to the state of our cyber security systems. However, what that translated to, was that we paused some of the work that was being done on the strategy and then we got into the National ID Card and those things took precedent.

I want to say thanks to the Auditor General and her team, I think they have provided us with an excellent report that has much information that we can use going forward. However, it had been noted that we didn't stop with our E-Government services. I think we launched 41 new services since 2015, so we have been working hard to ensure that we were responding to the public's outcry or demand for better services.

The government of the day did push hard to make sure that we were moving forward with our E-Government services, but there was also that gap that we wanted to fill, on the cyber-security side.

Mr. Isaac D. Rankine: Thank you for that answer, sir. You said the government of the day changed focus from the strategy, but the E-Government was still operating. What defined the direction they were going in then?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Right, absolutely. Thank you again, Mr. Chairman.

I'm sure Mr. Tibbetts told you that the E-Government Unit was a unit of one. For a long time it was just Mr. Tibbetts, so again, the government of the day decided to resource the unit, to give them some additional staffing to be able to build up the team so that was done. Services were happening.

The vision at the time—even when we did the strategy, I don't think that changed—was that a new service should not be introduced in the service without talking with the E-Government Unit. So the E-Government Unit was looked at, and still is, as the centre of excellence for where we go to when we need advice around E-Government. We have a really great team of dedicated professionals in that unit, led by Mr. Tibbetts.

The idea was, and I remember Cabinet I think actually giving that instruction at the time, way back when, that if you were going to launch new services, you had to talk with E-Government and they would give you advice to say, *"Well you can get an off-the-shelf system to do this, what do you want to do,"*; or *"No, you are going to have to do a full new build"*; or, *"This is something that Computer Services [Department] can do for you."* Hence, there would be much consultation with the E-Government Unit to say how we should do things, how it should be done. They also talked to us about connectivity, making sure that we bought systems that can talk to the other systems that we have.

Those things continued but, as the Auditor General says, there was a pause in the strategy and we accept that—and certainly she highlighted things that we didn't do around costing, and not accounting for staff costs when we did some of our costing and budgeting. All of those things we accept are gaps, and that will certainly form part of any new strategy but work did continue, and I'm proud to say that, you know, some of our best E-Government services have been launched just recently.

If you don't mind me saying, I just did the stats for what our customers have been saying about the services that we provide. Up until yesterday since we launched (and this goes back for two years), 26,000 customers have used our online services and we have a happy rating of 72 per cent. Now, I would love to see that a lot higher, but it is 72 per cent.

The new system that my office introduced with a lot of assistance from E-Government as project managers, they helped us to get that site operational, we have had 934 customers use the service for over a year, and we have a happy rating of 94 per cent, so there are some really good systems being implemented across government, with the assistance of the E-Government Unit.

Mr. Isaac D. Rankine: Thank you sir.

The Auditor General identified that in 2015 a draft strategy was done but was never finalised, and then you moved on to a revised strategy in 2021. Couldn't both documents have been kind of merged, to come up with a strategy that would have been in place now?

To continue, it was also mentioned earlier by one or both of the other witnesses in terms possibly being able to source some of this work – but, doesn't the Ministry have policy advisors that could assist the E-Government Unit with doing this work, instead of going out and spending the public money's like that?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Yeah, we have many policy advisors and yes, there are some highly capable and talented people in the E-Government Unit, but I can tell you they have their hands full.

One of the recommendations from the Auditor General is having a sort of one-stop-shop portal. I have seen the demonstration and it is absolutely amazing. It is going to transform the way people use the government's website. It is state-of-the-art.

They have a team working non-stop on that project. They also have a team working non-stop on the National ID Card. They have a team assisting other departments in their work. So yes, I can always crack the whip and get things done, but I want to make sure that we get a good product. We have all recognised how important e-services are, so we want to get it right.

To the Member's question, I really want to focus on getting it right. It may mean that it may take a bit longer; it may mean that we may need outside expertise, maybe not. But I want to focus on getting it right so that we deliver a strategy that meets the policy priorities of the elected government, but is also what our customers want. You know, we should be providing services the way our customers want—not how we think they should want, but how the customer wants so, you know, developing a strategy that encompasses all of those things is a big deal and a lot of work.

I don't want to say here, Mr. Chairman that it will be done by this particular date, because I know how difficult it is to get those strategies done.

Mr. Isaac D. Rankine: Thank you, sir.

I am glad you mentioned that you don't want to do it by a particular date because, based on what you said that the E-Government Unit is immersed with… Are you comfortable that they're going to get that done in Q1 of 2023, like they said here today?

The Deputy Governor, Hon. Franz Manderson, Head of the Civil Service: Hopeful, yes. Comfortable, I am not sure.

Listen, I have great confidence in the team there. You would have heard from the Acting Chief Officer, Ms. Tamara Ebanks, who has jumped in and been doing a great job there. And you heard from Mr. Tibbetts, highly capable Caymanians doing a really great job for us, you know. Certainly, I will provide whatever support I can, in terms of leadership from my office but… if they say they can deliver, I certainly will support it.

Am I comfortable that it can be done within that period of time? Maybe I am not that comfortable.

Mr. Isaac D. Rankine: I, too, want to acknowledge those two staff members you called out because I know that they are brilliant at what they do, sir.

Just out of curiosity: The steering committee that you led, what was the reason why it just kind of just dropped. What was the rationale that it didn't continue?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Well, like I said, an election happened and, as you know, during elections things change.

I think the E-Government Unit moved. The Minister certainly championed E-Government, but wanted to do things a little differently.

I want to make sure I get the point across: What the government of the day was very keen to do—and I am glad that it was the priority—was fix our cyber security systems. I think that that, as much as anything else, contributed to things slowing a bit.

Mr. Isaac D. Rankine: Thank you sir.

Let me ask you another comfort question, then: Are you confident that the cyber security issues are fixed so that we can move forward without any further delays, to the other projects that are currently on the table?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Yes sir, I am comfortable with that.

Now, I must preface what I just said. No system, I think, is 100 per cent secure.

Mr. Isaac D. Rankine: No, it's not.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: We are getting attacked all the time. You have heard some of the big companies in the world got hacked, but have we dramatically improved our cyber security? Yes.

Before we never had a cyber security unit, we never had someone in charge of cybersecurity. We now have all of that, so we are in a much better place to be able to enhance our cyber security.

Mr. Isaac D. Rankine: Thank you, sir.

I don't have any more questions on that. I am going to move on to the assessment against the UN's criteria for E-Government programmes.

We know that the government aspires to be a world class civil service, and you have noted that on many occasions—

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Yes, sir.

Mr. Isaac D. Rankine: Publicly and privately as well. [The government] therefore needs to understand how it compares against the best performing countries in the E-Government aspect.

The United Nations identified 19 criteria to determine the advancement of countries' E-Government programmes, and in response to recommendation 5 the government said that it would consider the extent to which the United Nations criteria can inform the development of a government-wide E-Government strategy.

Can you elaborate then, on the government's aspirations to align with the global best practices and the relevance of that United Nations criteria in developing the strategy that we all have been talking about?

The Deputy Governor, Hon. Franz Manderson, Head of the Civil Service: Mr. Chairman, through you.

Mr. Chairman, I was pleased to note that the Auditor General did recognise that the government compares well against the top 20 online services provided by governments globally. That is something that we should be proud of, but we shouldn't just be top 20, we should be some of the best. Why not? We have proven that we can be world class in a number of areas. This is one area that I think we can really lead on. We have already seen that.

To digress for just a second, I was talking to one of my counterparts and they were saying that where they operate—and this is not another Overseas Territory, but another country—they have to line up for about three hours, starting at 6 o'clock in the morning to be able to licence their car. You can now do that from the comfort of your home using online services, so we have made tremendous progress.

Yes, we don't have a strategy at the moment, but I think in the management response I committed that I would issue to the E-Government Unit and other CIG entities engaged in the development of E-Government services, a sort of interim guidance as to how they should operate. In that interim guidance I will definitely look at what the UN guidelines are, and also look at the helpful guidance provided by the Auditor General.

I committed to ensure that I issue that guidance by the end of this year and that is on track to be delivered. So I want to assure the committee that we have taken the recommendations of the Auditor General seriously; that yes, we don't have an overarching policy at the moment, but very shortly I will issue guidance that I think will help guide civil service entities, as to how they should go about launching or procuring [e-services], what they should take into account when they are going to be doing e-services.

One of those things is measurement, for example. I should be able to say at any given point, *how do our customers feel about our services*? That was something that I did early on. I talked to Mr. [Ian] Tibbetts and got him to help push that new services coming online had a way for the customers to measure—to say how they felt about our services; and that's very important because, as I said earlier, we want to hear from our customers and ensure that we are providing the services the way the customer wants not how we feel we should serve them.

Mr. Isaac D. Rankine: Thank you, sir.

Just for the record, I want to say that I think that the E-Government team is doing a fantastic job with some of the initiatives they rolled out. I just want to say thanks to that team. It is well deserved.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Sir, thank you. I endorse that 100 per cent.

The Chairman: We turn next to performance and value for money, so I turn to Ms. Connolly for that line of questioning.

[Pause]
The Chairman: Page 19.

[Inaudible interjection]

The Chairman: What am I missing?

[Inaudible interjection]

The Chairman: My apologies, I got it wrong. I skipped a page. We need to talk about the governance arrangements for E-Government Programme. Over to you, Ms. Connolly.

Ms. Barbara E. Conolly: Thank you, Mr. Chairman.

Deputy Governor, I know you mentioned that you were the co-chair for the steering committee.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Chair.

Ms. Barbara E. Conolly: You were the Chair.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Maybe co-Chair; maybe co-Chair.

Ms. Barbara E. Conolly: And you may have mentioned this earlier, I am not sure, but… Is there any indication whether that steering committee will be established again?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Mr. Chairman, through you: I am not aware of that.

I know we will need to have a steering committee to oversee the development of the strategy and ensure that it is fit for purpose and value for money and all those other key governance issues, but the short answer to your question is: I don't know at the moment, Madam.

Ms. Barbara E. Conolly: It appears that no other formal governance and oversight arrangements were put in place after the Steering Committee ceased to function in 2017. We note that governance arrangements will be considered as part of the new government-wide E-Government strategy development.

Can you indicate to us what governance arrangements have been put in place since April 2017, including who currently provides oversight for the E-Government programme?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Thank you, Mr. Chairman, through you.

The Auditor General did highlight the need for business cases and she did note that there was improvement in that area and my job is to make sure that continues to improve so number one—big part of governance—is to ensure there are proper business cases for all our projects on E-Government, so that is now standard practice across the service.

We have invested a lot of time and effort in training our staff on the development of business cases and the take-up has been really good, Mr. Chairman. We have many civil servants now wanting to understand how business cases are developed and understand the need for those business cases and I keep telling persons, you know, "*You wouldn't build a house without house plans, right? So let us not start a project without having a plan that identifies what our risks are and the various options that we can have.*"

That approach, again, with the assistance of the Auditor General, she had been banging on about this for a long time. The culture in the service has changed in terms of the need for business cases, so that's number one.

Number two is, as I said earlier, that I intend to issue some interim guidance to the civil service entities. In that guidance, I will certainly ensure that I speak about some of the governance arrangements that are needed before we embark on the setting up of e-services.

Ms. Barbara E. Conolly: So, Deputy Governor, what assurances can you give the PAC committee today, that governance arrangements will be included into the new government-wide E-Government strategy, and what would new governance arrangements look like?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Okay, so, Mr. Chairman thank you.

Mr. Chairman, I can give those assurances that governments arrangements will form an integral part of the new strategy.

Now, what exactly they are going to look like, I am not sure I can answer that now but certainly, all of the key governance factors that we take into consideration will be in that strategy. One of the key things is risk: *what are the risks around this particular project*?

Value for money—the very important point that the Auditor General raised in terms of costing. You know, we were not counting our staffing cost before. I think that is very, very, important.

I think we have a really good document here, in the report, which can help guide us in setting up the strategy and ensuring that we have the necessary governance arrangements.

Ms. Barbara E. Conolly: Thank you, Deputy Governor.

Moving on to governance framework for E-Government projects. I noted what you indicated a while ago that you would be providing guidance for E-Government projects.

The Auditor General recommended that the Major Projects Office's governance framework for major capital projects could be adapted for IT and E-Government projects. However, that recommendation was not accepted. What is your view on the Major Project Office's governance framework, and if it can be adapted for government and IT Projects?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Mr. Chairman, thank you.

Mr. Chairman, I think the governance framework that the major capital projects has is a good one. I agree with the Auditor General. The E-Government Unit had a different view on that.

I have spoken with the two Chief Officers involved, I think they were here earlier—the Chief Officer responsible for the Major Capital Projects Office and the Chief Officer responsible for E-Government—and asked them to please have a look at that again to see how we can work together to deliver the best framework that we can possibly introduce.

I don't like to reinvent the wheel, if there is something that works, then let's stick with that, so I have asked them to revisit that and certainly the Chief Officers have agreed.

The Chairman: And I would say, Deputy Governor, thank you for that assurance because I think it is well worth it.

We had the discussion at length here in the morning, with regard to it. What you have there is a framework and it ought to be able to be adapted. [It is] something that everyone in government is familiar with. You don't need something new if you can take what you got, adjust for it, and move forward, so I really appreciate that assurance.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Thank you, sir.

The Chairman: Turn now to Mr. Rankine.

Mr. Isaac D. Rankine: Thank you, sir.

The Auditor General stated that it's important that we learn from our behaviours, the lessons learned and document it so that future projects and team members can benefit from them. How widely are lessons learned reports currently shared across government?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Mr. Chairman, thank you.

Mr. Chairman, I remember reading an Auditor General's report quite some time ago, in which she highlighted the importance of skills transfer as part of our procurement and as part of our projects, and I have really taken that on board because my whole vision for the civil service is about empowering our people, training them up so that they can perform their very best for the government of the day.

I think it is absolutely essential that any government project that we do which is outsourced, there must be a knowledge transfer component there, where our teams can be exposed, they can learn, and then they can take that back to their colleagues and share it across.

I think you asked me how well it is being done at the moment. Certainly not as well as I would like it to be, but certainly, over the next year, as we progress, as we change some of the way in which we do business, which I pointed out earlier, I think you will see it happening on a regular basis.

Mr. Isaac D. Rankine: So in this particular case, the E-Government, what are some of the actions that can be taken now to share those, while are waiting on the strategy to be developed.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Right.

One of the things, like I said, is the issuance of our interim guidance. That interim guidance will be shared across the civil service and that immediately will give civil servants good knowledge as to how they should approach E-Government projects.

Like I said, we have training ongoing at all times across the service, whether it is business case training, whereas project management training, which is actually going on right now—staff in my office are engaged with that.

We are constantly doing everything we can to up-skill civil servants. I am pleased to say, Mr. Chairman that we can offer the services but it's up to the staff to take up the services. I am very pleased that many of the training opportunities that we are providing are sometimes over-subscribed.

People are hungry for training and we are providing it because, in addition to the knowledge transfer from outside projects, we want to build the capacity from inside as well.

The Chairman: Thank you, sir.

You are committed to establishing a cross-Ministry working group to deliver guidance on third party risk management within the government by the third quarter of 2023. Can you report on the progress in establishing that cross-Ministry working group to develop the guidance on the effective third party risk management?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Yes. Mr. Chairman through you, that is ongoing.

We are super busy. There is a lot going on in the civil service, I have probably 1.5 persons right now, that all they are doing is working on Auditor General reports to make sure that when the Auditor General does her next round of *how well are you complying*, we can say we are actually making great progress. That then takes someone away from something else that should be happening within the service.

Would I have liked the risk management to be done a lot earlier? Yes, but I want it to be done well. I have to sort of prioritise the work that we are doing. I want to make sure that the work of the Auditor General is taken seriously, that we can continue to make good progress.

Because Mr. Chairman, if there is one thing that I've learned during my ten years as Deputy Governor it is that if the Auditor General makes a recommendation, you accept it, you implement it. Then some of the issues that you're having, or some of the troubles that you're having that then give the Auditor General more ammunition to come at you with—if you had just simply done the recommendation that she told you to do three years ago, then some of the issues that she is raising today might not have happened.

One of those key lessons for me was the Major Capital Projects Office that we are talking about now. That had been recommended years ago, but it took us far too long to put it in place. Now that it is in place, you are now seeing government projects being managed much better, proper project management in place, proper business cases. We are now talking about using their governance framework to guide other civil service projects and programmes.

I want to make sure, as Head of the Civil Service that we implement the recommendations of the Auditor General in a timely manner, but there is much work involved. There are many, many, reports out there that we are trying to manage. And of course, in doing that, we still have our elected officials that we need to keep happy, to make sure that we are delivering on their priorities. So it is a mix, sir, and it can be challenging at times to get that balance right.

To the Member's question, would I have liked it to be better than 2023? Yes. But I wouldn't want to make a promise that I can't keep. Not much work has been done in that regard, sir, but you certainly have my undertaking that if it can be done sooner, it will be.

Mr. Isaac D. Rankine: Thank you, sir. Those are all my questions now.

The Chairman: Ms. Connolly.

Ms. Barbara E. Conolly: Thank you, Mr. Chairman.

Moving on to performance and value for money. The Auditor General's report stated that the E-Government Unit has made significant progress in developing the National Identity Register and ID Card project—and I know the focus has been on this as well as the cyber security. However, the project requires primary legislation before it can be introduced which is expected to be presented to Parliament later in 2022 which is our next meeting.

We did get the Chief Officers' undertaking that it would be the case. Can we have your undertaking as well, that this will be on the agenda for our next meeting of Parliament?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Mr. Chairman, through you.

Mr. Chairman, I certainly have not gotten an update as to where specifically we are with the legislation though I get regular updates on things happening across the service. As the Acting Chief Officer told you that is the target. I can't say exactly what she told the committee, but if she gave the committee the assurance that it would get to Cabinet, and certainly to this Parliament in December, then I have great confidence in her and I have no reason to doubt what she is saying. Can I give that assurance? I will certainly do my best to make sure it happens.

The Chairman: I think when you look at the committee here today and everyone across, we are all looking forward to that project coming to fruition. I believe you are as well, so I think everyone's on the same page with regard to seeing the project finally become a reality.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Mr. Chairman, I couldn't agree more.

I actually have seen what a card would look like and have seen its capabilities. It's going to be a really great thing for our Islands, everyone having a card.

I think more important than anything else, the idea of who is a Caymanian and who is not goes away, so that in itself—not having our people having to send applications to WORC to prove that I am a Caymanian. One of the benefits of that card is that that should go away. It will say whether you are a Caymanian or non-Caymanian on the card. That in itself will be transformative, so we are all looking forward to that, sir.

Ms. Barbara E. Conolly: Thank you, Deputy Governor, because I know every day I have constituents coming to me that are Caymanians but it's like why do we have to complete this document to say that we are Caymanian when we are born, our parents are Caymans; so I think that, in itself, would really make them happy as well as the whole [of the] Cayman Islands.

Thank you very much, sir.

The Chairman: We are now going to move on to customer involvement in designing and testing of online services and I will turn to Mrs. Katherine [Ebanks-]Wilks to lead that line of questioning. She is also going to question you, sir, on the monitoring of customer feedback and complaints, and the single website for all government online services so she will cover a number of topics with you, without my intervention.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Thank you.

Mrs. Katherine A. Ebanks-Wilks: Thank you, Mr. Chair. Good afternoon, Deputy Governor.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Good afternoon.

Mrs. Katherine A. Ebanks-Wilks: My question relates as the Chair said, to customer involvement in the online services.

The government needs to have a clear understanding of the customers' views, including what they want and need from an online system. The Auditor General's report stated that departments were not routinely consulting customers before developing new online services. In response to the AG's recommendation, the E-Government Unit stated that although it generally suggests customer testing, it cannot force business owners to comply with it. The E-Government Unit also did not comment on the recommendation to involve customers in the design of the online services.

Would you be able to share with this committee your thoughts on how the government can ensure that customers are involved in the design of all current and future online services?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Mr. Chairman, I would want to give this committee 100 per cent assurance. Certainly, any guidance that I issue to the civil service will include a mandate that we consult our customers when developing e-services—that is fundamental.

As I have been saying here for the last 45 minutes, we have to provide the services the way the customer wants them to be provided. I can use my office for example: With the assistance of E-Government, we launched our online service for application for naturalization.

With the advice of the government we consulted our customers, so we went to a number of the agencies that submit applications to us. We consulted with them. We then did testing with them, in terms of, *"Can you submit a few applications, let's see how it's going; give us your feedback."*

I believe they were involved in every aspect of the system—what it would look like in terms of its functions; the information that needed to be asked for; in what format; how user-friendly the pages were, could things be auto populated...

I think it's absolutely fundamental that we hear from our customers. A big purpose and priority of ours is to make the service to our customers at the heart of everything that we do, because the government of the day asks us to provide services to our customers, and we want to ensure that we do that in a way that make customers feel happy.

I would just say this, and if you like, I can read a couple of the customers' feedback that we have received. We were recently transforming the DVDL department and website, and the lady who was leading the transformation met with me and she said, *"Deputy Governor, what would be a good outcome of this transformation of DVDL?"* And I said, *"Well, I would like to look forward to re-licensing in my car. I do not look forward to it at the moment, but if we do this transformation right, maybe I would look forward to listening my car."*

The transformation was completed a few months ago and I went in to licence my car. I tested the system, so I drove up to DVDL, I waited 16 or 17 minutes to get my car inspected. They said, *"Mr. Manderson you can go inside or you can complete the transaction online."*

I went online and I licenced my car in nine minutes, and the next day I got my registration information; so I now look forward to licensing my car—and that's how I think our services should be, with the purpose in mind to make our customers happy, and allow them to do most of their business with government from the comfort of their home or at their desks, without even attending a government office. That's really what I think we should be aspiring to do.

I read recently that one of Amazon's key success factors is how many customers don't contact them. If you never hear from your customer, but they are certainly using your services, maybe that's a good thing, because they are all happy—we normally don't contact you unless we are unhappy.

To answer the Member's very good question, I think we must put the customer at the heart of everything we do, when we are designing our online services.

Mrs. Katherine A Ebanks-Wilks: Thank you, Deputy Governor.

To follow up on that then, I know that you have the portals where you collect feedback, but is there also a mechanism in place on how the government can collect the data and act upon it for online services, pending a government-wide E-Government strategy?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Mr. Chairman, at the moment, yes.

Individual websites have feedback and that feedback doesn't just come to myself, it goes to the agencies themselves, so every morning the head of DVDL will get a report to say, *"Here is how your in-person customers and your online customers responded."* It allows me, as head of the civil service, to identify pain points.

Right now, the top pain point on online services is the Workforce Opportunities & Residency Cayman (WORC) website. That's where we are getting the vast majority of our complaints. Of course, the Chief Officer responsible is now finalising the revamping of that website, but we know it is not working the way it should be because customers tell us so and you pay attention to what the customers say.

For customers to have the ability to [provide] feedback should be part of any strategy that we put out, that [they] can easily say how well the service worked, and they should be part of the design of the service as well.

Mrs. Katherine A Ebanks-Wilks: Thank you very much. It is assuring to know that the customer feedback is going to be implemented in this process.

I think I have just one more question in relation to the single website for all of government's online services. The Auditor General highlighted in Appendix 3 of the report, that the government currently provides over 60 online services. However, not all government online services are available through a single website. In its response to the recommendation, the E-Government Unit stated that it is not the business owner for all government online services and therefore cannot force entities to enrol in the service.

We are just curious as to any steps that the government intends to take to ensure that all entities enrol their online services into the government's e-services or the My E-Gov portal.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Mr. Chairman, thank you.

Mr. Chairman about two weeks ago, I think, I got a very quick demonstration on our new web portal for government which is exactly what the Auditor General recommended that we put in place. It is a single site where you go and do all your government businesses and I must say, I was super impressed by what I saw.

It is advanced, it is state-of-the-art. I hope I am not stealing any of their thunder but, for example, because we already have so much of your information there, if you go to the website and register for WORC, then you can easily access some of the other services that are available and also get a reminder [such as], *"Listen, it is time to license your car"*. It is something that will be very interactive and I think it's going to transform the way in which persons do business with government.

To the Member's question, I think in the not-too-distant-future we will be launching a new website that fits very much in line with the Auditor General's recommendation and while E-Government [unit] cannot force departments to be part of it, it is part of my remit so certainly any guidance, any instructions that I issue—if we're going to be one government, then we must be one E-Government, and everyone should be part of that new portal.

That's my responsibility.

Mrs. Katherine A Ebanks-Wilks: Thank you very much, Deputy Governor. I don't have any further questions in this area.

The Chairman: We are on the homestretch, sir.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Sir, no trouble at all.

The Chairman: Deputy Governor, throughout this report's examination the capturing of costs of the E-Government Unit has been one issue that came through quite clearly.

I don't need to explain to you the importance that Government needs to have systems in place to capture all the development costs, et cetera. When you look at external stuff it is easy—it normally involves a payment so yes, you can get it recorded; but it's the soft stuff, the internal resources that are used, where we seem to be falling down, particularly in capturing the cost of human resources in working and developing these types of services.

In your response to the report, you committed to consult with the Ministry of Finance and others with a view to developing government-wide guidance. Can you give the committee an update on progress you might have made in developing the government-wide guidance for capturing all relevant costs of IT and E-Government projects?

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Yes, Mr. Chairman, thank you.

Mr. Chairman that is something that I think we have to get better at. It was a gap that the Auditor General highlighted in terms of capturing the true costs—the staff costs. It was not something that we were doing, so my office is now working with the Ministry of Finance. Did we have a timeline for when we were going to do that? Was it Q3 or Q4?

The Chairman: Go ahead. The Auditor General's office may quickly shed some light.

Ms. Angela Cullen, Deputy Auditor General: Just to help you, DG, on page 82, your commitment was Q4, 2023.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Okay. And that is around the cost?

Ms. Angela Cullen, Deputy Auditor General: That's on consulting with the Ministry of Finance to develop guidance on relevant project costs.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: So yes, that is something that we do need to progress.

I will look at that time line again Mr. Chairman, because, obviously, it is very important; and certainly, any guidance that I issue going forward will include that requirement—that we look at costs including staff costs.

Yes, while we may not have the comprehensive policy in place until next year, what I'm issuing this year will ensure that we provide guidance so that persons will address that concern.

The Chairman: Okay, sir. I do believe that the tools are there for the capturing of the data.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Yes, sir.

The Chairman: It really just needs to push people to comply and just record the timing, et cetera.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Absolutely, sir.

The Chairman: That was the only question I have for you Deputy Governor and so, ladies and gentlemen, that brings us to the conclusion of today's hearing.

We are ending exactly on time, which is quite unusual for us, I think, but I thank you Deputy Governor for attending today and for the candid way in which you have answered all the questions.

I do take much comfort from the assurances that you have provided for us today, and I thank you for your candidness.

The Deputy Governor, Hon. Franz Manderson - Head of the Civil Service: Mr. Chairman, thank you. Mr. Chairman, if you would just give me one minute.

I think it is important that I leave you with something that just happened yesterday and it speaks to the importance of e-services.

We had a Caymanian who found out yesterday that there was an issue with his police record and he had to get everything redone but he had to leave the island at 12:00 today. Last night at 8 or 9 o'clock he applied for his police clearance and he is on the flight today—he left the island today.

I think if anything can show to us that e-services work, the fact that he was able to apply for his police record at 9 o'clock last night and was able to catch a flight at 12 o'clock today, I think that shows us that our systems are working.

We are not perfect; the Auditor General has highlighted a number of areas we need to get better in, but I want to assure the committee that of the e-services that we have now, some of them are working very, very, well and it is helping our people.

Thank you.

The Chairman: Thank you too, sir.

Ladies and gentlemen, thank you all for your patience and participation today. I wish you all a pleasant day, and weekend, when it does come tomorrow.

Thanks again to everyone.

The meeting adjourned at 2:35 pm.