



**CAYMAN ISLANDS LEGISLATIVE ASSEMBLY
COMMITTEE OF PUBLIC ACCOUNTS**

ANNUAL REPORTS OF
CAYMAN TURTLE CONSERVATION AND
EDUCATION CENTRE LTD. (CTCEC)
FOR THE PERIODS ENDING 31ST DECEMBER 2017, 2018, AND 2019

*Official verbatim transcript relating to the Official Report of the
Standing Public Accounts Committee Meeting—19 November 2020*

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PAC Members Present:

Mr. D. Ezzard Miller, MLA, Chairman
Mr. Bernie A. Bush, MLA, Member
Ms. Barbara E. Conolly, MLA, Member
Mr. Austin O. Harris, Jr., Jr., MLA, Member
Mr. Christopher S. Saunders, MLA, Member
Mr. David C. Wight, MLA, Member

In attendance: Ms. Patricia Priestley, PAC Clerk

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

Mr. Matthew Tibbetts, Accountant General
Ministry of Finance and Economic Development

Audit Office: Mrs. Sue Winspear, Auditor General, Office of the Auditor General

Mr. Patrick Smith, Deputy Auditor General (Financial Audit),
Office of the Auditor General

Mr. Julius Aurelio, Audit Manager, Office of the Auditor General

Witnesses: Mr. Brian Wight, Chairman of the Board of Directors
Cayman Turtle Conservation and Education Centre (CTCEC)

Mr. Stran Bodden, Chief Officer,
Ministry of District Administration, Tourism and Transport;
Ex-Officio Director, Cayman Turtle Conservation and
Education Centre (CTCEC)

Mr. Perry Powell, Deputy Chief Officer,
Ministry of District Administration, Tourism and Transport:

**OFFICIAL VERBATIM TRANSCRIPT
STANDING PUBLIC ACCOUNTS COMMITTEE
THURSDAY
19 NOVEMBER 2020
10:15AM**

Meeting with witnesses

**ANNUAL REPORTS OF
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EDUCATION CENTRE LTD. (CTCEC)
FOR THE PERIODS ENDING 31ST DECEMBER 2017, 2018, AND 2019**

Verbatim transcript of the Standing Public Accounts Committee Meeting held 19 November 2020, at 10:15am, in the Chamber of the Legislative Assembly Building, George Town, Grand Cayman.

[Mr. D. Ezzard Miller, Chairman presiding]

The Chairman: Good morning everyone. Let the record show that we have a quorum present.

Let me apologise again this morning for Ms. Barbara Conolly, who is acting as the Minister of Finance; and Mr. David Wight who recused himself [this morning] because the next witness is his brother, and this afternoon because he is the Councillor for the Ministry of Tourism.

At this stage, I invite the Deputy Serjeant-at-Arms to bring the witness in.

[Pause]

**CAYMAN TURTLE CONSERVATION AND
EDUCATION CENTRE LTD. (CTCEC)**

**ADMINISTRATION OF OATHS
OR AFFIRMATIONS**

Mr. Brian Wight, Chairman of the Board of Directors Cayman Turtle Conservation and Education Centre (CTCEC): I swear by Almighty God that the evidence I shall give to this honourable Legislative Assembly, shall be the truth, the whole truth, and nothing but the truth.

The Chairman: Good morning, Mr. Wight. On behalf of the Committee let me extend our thanks for agreeing to appear before the Committee this morning as a witness in your role as Chairman of the Board of Directors of the Cayman Turtle Conservation and Education Centre Ltd. (CTCEC).

You would have been made aware that today we are considering the 2016, 2017, 2018, and 2019 accounts of the Turtle Farm.

The only rule is that the first question that you are asked, we ask you to state your full name and

your role so that it will be recorded properly in the Hansards of the House.

I guess I will lead off with the questions. Let me assure that this Committee is not interested in any “gotcha” moments or taking any adversarial position. We prefer to work in a collaborative spirit; we are simply trying to get to the bottom of what the issues are and how best to make recommendations to resolve or correct them.

My first question is can you confirm that the Board of Cayman Turtle Farm and Conservation Centre Ltd. was operating in full compliance with both the Public Authorities Law and the Standards in Public Life Law?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, my name is Brian Wight; I am Chairman of the Board of Directors of the Cayman Turtle Conservation and Education Centre, Ltd.

In answer to your question, to the best of my knowledge we are in compliance with both of those laws.

The Chairman: That is good; okay.

Yesterday we took evidence, which you probably are aware, from your CEO and your Chief Operating Office. One of the things that came up during that evidence was a report done by Deloitte Consultancy. Can you confirm that the board reviewed and approved the re-structuring of the salaries for top management at the Turtle Centre and the salary increases that were recommended by Deloitte Consultancy?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): I can confirm that we reviewed and actually were part of the whole study done

by Deloitte, and it was not just top management; they surveyed the whole staff and operation and made recommendations on any changes for the whole operation.

The Chairman: Okay. Was the report which you were presented at the board a final report or a draft report?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): As far as I know it was the final; they made a presentation. They came to our board room and made a presentation to us. I do know you asked the question and it did say 'draft' and when I looked that is what mine says as well, but as far as I know that was the final.

As far as I know we have not received something that said final, but that was the final presentation they made to us, which the presentation was a summary.

The Chairman: Would you agree that a part of your CEO's duties, who I assume would be managing this consultancy on behalf of the board, should have been to ensure that a final report was received?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): I would say we probably should have a final report, yes.

The Chairman: Just a matter of course, I should have done it yesterday but I got caught up in the moment and forgot.

I think it is important that I declare that my brother Jerris Miller works at the Turtle Farm—I do not even know what his title is—I believe a middle management position of some sort; but I have had no discussions with my brother about any of these things. I just want to make that clear so that he does not get accused down the road of somehow leaking information to the Chairman of the PAC.

One of the troubling things we have as a Committee is that we asked for this report yesterday and we were only supplied with a draft copy and in further correspondence with the CEO he did not appear to know whether they had gotten a final report or not. I just want to say publicly that I worked with Taron Jackman for six years and I know him as a consummate professional and almost a perfectionist when it comes to work from Deloitte and the department. I cannot imagine a situation where he would not have delivered a final report.

The problem we have now is that it seems like many decisions were made by the board and the CEO on what appears to have been a draft report, and the concern that I have is: If there is a final report, were there any changes made to that final report that are

not reflected in the decisions that were made. So you are not aware that a final report came?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): I am not aware of a different report, let us put that way. I do not have a copy of it and I took that to be the final, to be honest. Only on looking back on it now mine does say draft too.

The Chairman: Okay. We received evidence yesterday that it appears that there were two salary increases in 2019. Can you confirm that there were two?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): In relation to...

The Chairman: The evidence we got yesterday indicated two things:

1. There was a salary re-structuring which led to some people getting increases in salaries based on the re-structuring; and
2. There appears to be a second salary increase that evidence we received yesterday appears to be still before the board but those who got that salary increase have been receiving the salary increase anywhere from two months to six months.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Okay; now I understand what you mean and I thank you.

If you would like, I can explain how we became aware of it, what we did about it and where it is now as far as I am aware.

In June of this year we became aware that there had been a mistake—I will put that way—made by the HR department. It is layman's terms, but I will try to explain how I understand it.

The pay policy guide was interpreted to mean that those who had an anniversary of one year or ten years. When it was instituted the intention of it was there was some adjustment to be made to those two based on the length of time they had been there. The intention of the pay policy guide was that it was a one-off payment, which was to adjust within coming of the pay policy guide. It was interpreted that the salary should then stay at that level.

Unbeknownst to any of us, the board had approved the pay policy guide so obviously, HR felt the board has approved it so they could go ahead with it, but their interpretation was not what was in the pay policy guide and it was only picked up, like I said, in June of this year.

It was brought to the board's attention; we then went through ways we could remedy it because it was never intended. Like I said, it was a mistake. We came up with a number of options, I think four possible options, and we went to the Chief Officer of the Ministry and told him what had happened and put forward our possible options. We also asked him if he would get an opinion from the Attorney General as to the best way to deal with it, in terms of making sure we were not breaking laws and he came back with his opinion.

Now, he could not recommend which one to take, but basically, the four options were:

1. Take back the salary from those who had received it;
2. To leave it as it was and say it was a pay increase;
3. Red-circle it and as time went on and pay increases were given, rightfully so, over years or whatever, they would not get increases until it had reached their level; and
4. Red-circle it, and allow the increases to take place but they would not get an increase until they in effect had paid back the amount that they had gotten ahead.

The first option the Attorney General advised we should not try to take back salary from staff. We had given it to them, formally notified them, they got it and it was not right to take it back, as I understand it.

In the end the Board decided to go with the fourth option, which was red-circling it and over the years and I believe there is a chart—I do not have it and cannot tell you—but some would be much quicker than others, some a bit longer, as much as years. When their salary reached, which should have been above the red circle amount, they would not have an increase until the full amount they received in error had been paid back and only after that time would their salaries start to increase.

Mr. Christopher Saunders: Sorry, Mr. Chairman.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): We then—if I could just finish—agreed on that. In fact, the HR department has already informed those staff and it is already in hand in that way. They have been informed that is the decision we made and that is how it is going to go forward.

There is 24 staff, I believe, and a total of \$23,000 has been paid more than should have been up to October, I think.

Mr. Christopher Saunders: Mr. Chairman, through you to the witness. I would like to introduce a fifth option, which is some level of disciplinary action against

what has happened here, and I can tell you what is driving my concern.

Yesterday I specifically asked the Chief Operating Officer the process that you go through now for a salary increase for every other employee barring the CEO, because the way I am looking at it is this: Every employee is managed by the CEO, then the CEO is accountable to the Board; so, of the 23 employees that would have received it, the CEO would have the green light to approve 22 of them within the policy, if the policy has been approved. Any employee who received that increase would have received it in good faith because it is something that is approved by the CEO; because the specific process that was given ended with a sign-off by the CEO.

Where I am a little bit lost is, when it came on to the CEO specifically, that is automatically red-flagged to a board—no CEO should get any pay increase or any compensation or any change without board approval. Going back to 2009, when it was revealed that a managing director at the time did exactly the same thing and bearing in mind that the Public Authorities Law came specifically, for some of these outside Government entities that had these run-away policies, it is really discouraging and disheartening that in 2019—literally ten years after we had this issue at the same organisation—we have a repeat of this.

This is the kind of action or, in some cases inactions, that basically questions us, and why we are basically here today looking at an organisation.

Mr. Chairman of the CTCEC, one of the things that we established yesterday was simply: the Turtle Centre itself, I would hazard to say, has the full support of just about every Member of this House. As I said yesterday to the CEO, if you take the government subsidy of roughly \$10 million a year, where \$6 million of that went towards paying the debt, the real subsidy is \$4 million from the operational standpoint.

From that \$4 million, we get an organisation that employs roughly over a hundred staff directly, the majority of which are Caymanians; I understand only 4 work permits. It employs another four to five hundred Caymanians indirectly, from people who sell tours on buses, et cetera, that go to the Turtle Farm. On top of that, it also provides an attraction that basically has 200,000 tourist visits a year. Where else can you find almost 500 or 600 people employed, attracting over 200,000 people a year and it costs the public \$4 million when one of the things that many visitors complain about is lack of attractions. In my opinion, that \$4 million is well spent.

Now, naturally, we would like to see that amount reduced but I am not going to sit back and say that I do have a problem with that \$4 million; same as with Cayman Airways. I consider Cayman Airways an economic accelerator, it is necessary for our overall tourism product and we have to maintain the bigger picture. Always look at the bigger picture.

However, the issue has always been governance and, in particular, the history of the Turtle Centre even when it was Turtle Farm. Seems there is a culture there that they make up their rules as they go, and it is that culture that needs to be addressed; and the people that we expect to be fixing it are generally the ones that we find somehow perpetrating the same issue.

Under no scenario in any organisation, can any CEO change any of his compensation without board approval and that one alone is a serious red flag for me. We have asked the Auditor General to go in and take a deeper look, in terms of the processes because the process that was explained to us—the fact that the CEO signs off on it. If you find yourself signing off on an increase for yourself, that alone should send up a red flag.

Credit to the CEO, this is not his first rodeo in terms of being in senior management, so this is not something new. I really believe that the board needs to take a more serious action on what has gone down there, because I can tell you: any employee who goes out there and gives themselves an increase without the proper approval is considered theft—they will be fired. I have people in my constituency sitting in Northward Prison for that exact same action. This cannot be a situation where at this level, the highest paid executive has signed off on this and then it becomes *let us see how we can ratify it*—that is not governance.

That is one of the things we are looking for today from the board and from your testimony as a witness: Is the governance structure in place to make sure that culture that exists in the Turtle Farm is not there or at least is being dealt with?

I believe a fifth option needs to be considered, in terms of what breakdown there was in the process for this to have happened, because if this happened in any other organisation, people would have been fired or locked up—they would be arrested. This cannot just be these four things. No; this cannot work. I just need to get that off my chest.

Thank you, Mr. Chairman.

The Chairman: Was the CEO one of the 23 people that got this mistaken salary increase?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Thank you for the question, Mr. Chairman.

To answer yours first—yes, he was.

The Chairman: Okay. Secondly—

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): I just needed to answer.

The Chairman: I think he was making a statement more than a question.

[Inaudible interjections]

The Chairman: Okay, if you want to answer him, go ahead.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): I think the mistake is that the CEO did not sign off on the pay increase. It was never a pay increase; in reality it increased, but we never did a pay increase. The mistake was made in the interpretation of the pay policy guide; the board had approved the pay policy guide so the HR department—the board approved it, this is what we do and they went ahead and made an increase.

They never got approval from the CEO on it because it had been approved by the board, is my understanding of this; it was in place, they thought this is what should be done and continued to do it.

[Inaudible Interjections]

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Yes, yes.

[Inaudible interjections]

The Chairman: You have confirmed that the CEO was one of the persons that got this benefit; whether it was a salary increase or one-time payment. Does the CEO attend your board meetings on a regular basis?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Yes.

The Chairman: Did he recuse himself in accordance with section 43(2) of the Public Authorities Law from all discussions related to this mistaken benefit?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): No; not when it came to light, no. He was involved in telling us exactly what had happened.

The Chairman: But you are aware that the Standards in Public Life Law and the Public Authorities Law require that it be done? And your evidence here today is that the CEO did not volunteer to recuse himself and the board did not insist that he recuse himself.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): That is true.

The Chairman: Okay. I know that yesterday the COO and the CEO relied on subsection 2 of 48 to justify this, what I will call a benefit, since you say it was not a salary increase.

Did they get this as a one payment, or was it an increase to a certain amount that they collected monthly and will continue to collect under the decision of the board?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): My understanding is that the way it was meant to be was a one-off payment; to make an adjustment when this pay policy guide came into effect.

My understanding is that the HR department thought that adjustment was ongoing. In other words, the adjustment was the amount they should be paid each month going forward, but it was not. It was just meant to be that one time.

The Chairman: Okay. For instance, the HR policy may have awarded an employee \$150 based on the point system that was approved as a board and they should have gotten one single payment of \$150, but they have received \$150 every month, for over a year.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Well, some are not a year but they have received since they started getting it because it was depending on—when the first or 10-year anniversary of their employment came in is when it was given, so they were not all at the same time is my understanding.

The Chairman: Okay.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): But they have been receiving that extra amount each month and that is where the problem is.

The Chairman: Okay. And you would be aware that section 47(1) says, “**All public authorities shall use the same salary scale as determined by Cabinet and all jobs shall be evaluated by the same job evaluation methodology**”. Did the board seek Cabinet approval for the re-structuring salary scales recommended by Deloitte?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Edu-

cation Centre (CTCEC): Yes, we did. It went through the Chief Officer, yes.

The Chairman: And it went to Cabinet and you have records in the Minutes to show that Cabinet approval prior to your final approval?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Well, we received the approval through the Chief Officer, yes.

The Chairman: Through the Chief Officer in the ministry.

[Inaudible interjections]

The Chairman: Okay.

I know that some sections of the Public Authorities Law did not come in until June 1st, 2019 but certainly, the Law itself first came into effect the 30th of May, 2018 and all those clauses are in the Law; they were not added in 2019.

Can I ask if you would supply the Committee with all the board minutes from your 2019 meetings? Could we also ask for a copy of all of the correspondence, whether it went through the Chief Officer in the Ministry to the Attorney General's Chambers that would show what you are requesting advice on and what advice did the Attorney General give you?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): [Yes, I make that undertaking to get that for you.](#)

The Chairman: Alright.

Mr. Bernie A. Bush: Mr. Chairman, through you: Could we also have a copy of the pay policy guide, because I think that will clarify many things.

Mr. Chairman, yesterday and today I am hearing the same song—the HR made a mistake; but sitting in here I asked the COO: Does HR answer to you? Yes. Does IT answer to you? Yes. The Board that decides it... The COO is on everything—well then, okay; so it is not the HR's fault because everything that HR does, the COO has to approve. Then in turn, she should take it to the CEO. That is the usual thing in most companies.

Mr. Chair, do you know that Caymanians resigned/left the Turtle Farm because of this incident?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chair, I did not.

Mr. Bernie A. Bush: Okay.

Mr. Chairman, you heard the questions and the statement that has been made, but is one thing: this is not the HR department's fault.

If I have to answer to my boss, I can only do what my boss allows me to do, so it is not the HR department's fault; because I can interpret something, but at the end of the day there are two bosses above me, especially the COO who, it seems, has to stamp everything; but no one seems to want to accept their responsibility and their blame. Just throw the HR, (whoever HR is) or the board, under the bus.

Now, the pay policy guide was approved by the board in December, 2018, am I correct?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chair, I believe it was, yes.

Mr. Bernie A. Bush: Okay. And that was brought about because of the Deloitte...

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): That is correct.

Mr. Bernie A. Bush: Okay.

Did the board also approve or give the COO or anybody, permission to take the people's money and pay for Permanent Residency for someone? Is that a policy of the board?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chair, no.

Mr. Bernie A. Bush: Okay.

Did the board also approve for the COO or whoever it is to pay for the dependents' administration fee on work permits?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Again, not to my knowledge.

Mr. Bernie A. Bush: Thank you.

Mr. Chairman, yesterday I asked the COO about changing job descriptions to suit certain people and in my humble opinion, I think she lied; because there is not going to be a Caymanian Chef who is going to have something called a Red Seal Certification on their thing, if they have gone to Edinburgh or have gone anywhere else.

Like I said, I could be wrong in thinking that we were not told the truth, but it was changed and I have the copy. The first description of that position had nothing about a Red Seal certification, but the Red Seal certification, Mr. Chairman, was added and

it so happened that this person who applied had it on their qualifications.

Point of Order

Mr. Austin O. Harris, Jr.: Mr. Chairman, I apologise for interrupting the member however, I have to call a Point of Order. The member is making some rather broad allegations to the Chairman of the Board—whether it is paying for a Permanent Residency or accusing the witnesses of lying—and I have to ask whether the member has proof of these broad allegations, because this is being transmitted to the public.

Mr. Bernie A. Bush: Okay, Mr. Chairman.

Could you look into these "allegations":

1. If payments were made for a certain individual for their permanent residence,
2. If the Turtle Farm has paid for the dependents' administration fee on their work permits; and
3. If on the Chef—look on the first one—you will see there was no Red Seal certification and there was on second job description. No Caymanian has that.

Mr. Chair, another thing that the Caymanians say they did not know about the job was they kept looking in the Compass where the job adverts usually are, only to find out after the fact that it was put into the *Cayman Times*. Maybe this is something that the board can decide to say, *let us put our adverts for our board in both newspapers and let us look at how these job qualifications are set up*; if it is blocking qualified Caymanians not making something fit for certain sections of people or where they come from.

Since it does not seem to be the policy of the board, but I am 100 per cent sure of these things, sir, regardless of how the Member for Prospect jumps in and tries to slow me down, and the facts are right there at the Turtle Farm, sir.

I am defending Caymanians.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Thank you for the statement; CTCEC paid for not the permanent residency, but what was the second one you said?

[Inaudible interjections]

Mr. Bernie A. Bush: Administrative fees on the work permits for the spouse of someone who we have a contract or work permit for.

[Inaudible interjections]

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, through you: I can just simply say I am not aware of any job descriptions changing. They were set through the Deloitte study and I am not aware of any changing as you mentioned, but [I can look into it](#).

Mr. Bernie A. Bush: But you must admit, Mr. Chair, a Red Seal certification which is only out of Canada, makes it very hard for any of us, however qualified we are.

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

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chair: I have no idea what a Red Seal is and I can only ask the question. I do not know why it is there or if it needs to be there. I can only ask.

Mr. Bernie A. Bush: What the Member for Prospect said, he is right—I am asking you to go and look into this and you can answer us later.

Thank you very much; that is all I am asking then. I am corrected by the member to do it in the correct way.

Thank you.

Mr. Austin O. Harris, Jr.: Thank you, Mr. Chairman. That really is the only point I wish to express to the member. Certainly not trying to hold him back, restrict him or anything.

The member began to impute improper motive and I was simply reminding this Committee that there is a process—a standard—if we are to make allegations we must be able to prove it. They were very broad in nature. I defend Caymanians as well, but certainly we must stand on the premise of truth and fact in this Committee, Mr. Chairman, which I know you appreciate.

The Chairman: Yes, I do not regard the member as being out of order because my recollection is that he was bringing certain things to the attention of the Chairman for him to look into them. I would suspect that the member can provide the Chairman with evidence of his thing.

You have some questions, Mr. Austin?

Mr. Austin O. Harris, Jr.: I do, if the member has finished his questions.

[Inaudible interjections]

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

Again, I want to thank the witness for attending this morning, sharing some of his busy schedule with us. I want to echo the sentiments of the Member for Bodden Town West in assuring him that all on this Committee are supportive of the Cayman Islands Turtle Centre and the intrinsic value it offers to the economy.

I want to talk specifically about the observations in the Auditor General's report, as it relates to revenues and expenses.

Yesterday I highlighted what I thought was the positive financial performance from, I think it is 2017 to 2019, which has been a team effort and I will not go over that again, but on page 4 of the Auditor General's report under the going concerns, I think it is paragraph 14, the third paragraph, it states, "**Furthermore, operational results subsequent to 31st December, 2018 and 2019 indicate that the company continues to generate significant losses from operations and experiences cash flow difficulties, and therefore continues to rely on Government for funding.**" It goes on to state, "**The Board of Directors have been working to design—and continues on page 5—and implement a number of other cost-saving measures as well as increasing profitability by exploring new revenue streams.**"

We have heard of some of those cost-saving measures and profitability revenue streams. I wonder if the Chairman can share with us what actions the board will seek to implement to introduce cost-savings and new revenue, so that we can maintain the positive financial performance, the growth in shareholder equity, and so on.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chair, thank you for the question.

It is a continuous effort, you know. We are continually looking at cost-savings and we have been fairly successful in being able to make systems more efficient and cut costs as best as we can and it is a constant, ongoing thing.

The marketing team is always looking for new ways to try and generate new income streams. Although the board is not necessarily directly involved in it, the board gets reports on what they are thinking and trying to do.

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

Yesterday when the CEO and the COO gave testimony, they identified that utilities represent a significant expense on your overall balance sheet; according to your 2018 Annual Report, page 35, the Expense Analysis lists the utility expense as accounting for 11 per cent of the overall expense budget and that is particular, I think, to the water turbines as the centre uses—as one can imagine—a significant amount of

water and that water has to be transported from tank to tank to keep the animals alive.

I wonder if the board is exploring any means of sustainable or renewable energy to produce the electricity required to run these pumps or are we still dependent on the traditional CUC model of diesel-generated electricity?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): For the time being, we are dependent on the CUC-generated electricity. There has been talk but nothing concrete, to this time, of solar-generated power, but I think it is something we would have to work on with CUC, according to their agreement, et cetera. It is something that we certainly can look at if there is a way of doing it.

The water generation is a big driver of the electricity expense, and we have to redo the piping because there is a lot of clogging that has been going on over the years. It is a major, major, job and it is something that we are building up to. Of course, COVID has kind of put a stop to that, but it is something that we are going to have to do fairly shortly and that should help with the electricity efficiency as well, because what is happening is that we have to pump more water through at a higher pressure because of the salt build-up or whatever that builds up in the pipes.

Mr. Austin O. Harris, Jr.: Thank you; Mr. Chairman, through you, just one final follow-up.

I am glad the Chairman mentioned COVID; certainly, COVID will have an impact on the centre's revenue streams.

We see also from the same Annual Report that admissions account for 58 per cent of overall revenue, and on the absence of tourism traffic, we can anticipate that the 2020-2021 Annual Reports may show significant decline on those revenues. That is why, in my mind, when we know revenues are going to fall short we need to consider all avenues for creating more cost-saving measures.

Therefore, again on the subject of utilising renewable sources of energy: Has the board conducted any sort of cost-benefit analysis as it relates to renewable energy—what it might save by going, for example, a solar route versus the traditional diesel route—or have those discussions just been general in nature?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chair, thanks for the question.

The simple answer is we really have not gone into any detail. It is a very good idea and it is something that we probably should and will look at in terms

of how it could be done and what the effect would be in terms of savings and benefits to the centre but it has been, if anything, a general conversation to this point; nothing in terms of a study or anything concrete, but I will certainly bring that up.

Mr. Austin O. Harris, Jr.: Thank you to the witness through you, Mr. Chairman.

Thank you.

The Chairman: I want to get back to what I regard as probably the most serious evidence that we received so far; that the CEO did not recuse himself and the board did not insist that he recuse himself. I want to see if I can understand what the board's decision is on that mistake.

As I understand it, when it was brought to the board's attention—I would assume by the CEO—the board considered a number of options and came up with four scenarios and the scenario that the board has now approved, is that those 24 people will continue to receive that monthly increase. They have been red-circled so that those 24 people will not receive any across the board salary increases until everybody else at the Turtle Centre has gotten the equivalent percentage or some formula of salary increase over whatever period of time that takes which, given that everybody is now blaming COVID, may be ten years.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, COVID has certainly thrown a spanner in the works in terms of timing, but it goes further than that.

It is not just a matter of when they catch them up, they in effect would really overtake them because then they are going to start paying back what they received over and above what they should have done, so their colleague who will be in an equivalent salary, will actually be receiving more. The affected employees will be red-circled at the salary they are receiving now, and they will receive more until the amount that they have gotten over has been paid back and then they can start getting their increases.

The Chairman: I do not understand that. You lost me somehow.

Let us just say it is \$100—I do not know what the figure is—but any one of those 24 members will continue to receive that \$100 going forward, until the person at his equivalent level in the organisation who is not one of those 24 people, gets salary advances, whether that is because they put in one year but it is a time for length of service or performance appraisals or whatever; and when that person catches up with this one that got \$100, the person will then have each month after that, \$100 deducted from his salary until he paid back the money that he got?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, no. The first thing is he is not going to have it deducted, he will continue to receive it.

The other thing is, I was using the colleague as an equivalent, but a colleague may not get the increase he got because like you have said, performance-based or whatever, so it is really going to be based on the individual. If he was due an increase in salary, he will not receive that increase in salary until it reaches the level that he should have been at.

In other words, he is now receiving \$100 over. If he was due to get \$100 increase in salary, he will not get an increase of where he is now because he would be equivalent; but further than that, if next year he is due another \$100 increase, he will not get that increase either until you take away the additional \$100 each month; when that reaches the amount that he has received over what he should have received this year or from whenever he started, then he can get his increase.

The Chairman: If I was the employee that got this windfall, I would look at the progress around me until it is coming close to me and then I would quit and keep my money.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): That is an issue and there is not much that we feel we can do about that if someone does quit.

The Chairman: I think I understood you said that the legal advice you got said that you could not take the money back having given it, right?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): That is how I understood it, yes.

The Chairman: But certainly that advice would have to have been framed in some kind of way...

Let me ask a question this way: Did the board ask the CEO to make any attempt to explain to the people who got this windfall that it was a mistake and they need to pay it back? Because I would have thought that that would be the first option—to see if you could get the people to agree that a mistake was made and they would give it back.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, I do not think we had that conversation until we had decided what we were going to do, so we did not instruct the CEO to go and ask them to give it back.

The Chairman: And the CEO obviously did not volunteer that by setting an example himself saying, *yes, I got this; I should not have gotten it but as CEO, I will set an example to other members of staff and give it back over the same period of time that I received it.*

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): No. No, he did not.

The Chairman: Okay.

Mr. Bernie A. Bush: Mr. Chairman, through you. Did the COO also get one of these pay raises or whatever you call them?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, I believe she was one of those as well.

The Chairman: Getting back to how the mistake happened: Your evidence is that it was a misinterpretation by the HR, I would assume the person in HR who manages your payroll which is a person down the totem pole who prepares your payroll for the month. As we understood from evidence given yesterday, the COO is also the person responsible for HR directly below the CEO. Would you know whether the COO signed off on this mistake?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): It is my understanding that there was not a sign-off needed or the HR did not feel there was because it was taken as part of the pay policy and that was approved.

The Chairman: Maybe I phrased it wrong.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Okay.

The Chairman: Did not the COO, who is now also your CFO, see an increase in the monthly payroll for the organisation?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): I would say they must have, yes.

The Chairman: And that went on for, in some cases, a year before anything was done about it.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Edu-

cation Centre (CTCEC): Yes, until it was brought to our attention, when they spotted it.

The Chairman: Okay.

We have not received the Deloitte report yet but the CEO said yesterday that it was the Deloitte Consultancy that recommended the discontinuing of a specialised, specific CFO in the organisation and combining it with a COO.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): That is correct, in their restructuring.

The Chairman: Okay.

So, going forward, the Turtle Farm will not be recruiting a COO who does not have professional accounting qualifications and can sign off as a CFO would do.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): They will be recruiting according to the job description as it is now.

The Chairman: The competences for the COO job now, as detailed yesterday by the CEO, is that you must have professional accounting qualifications, HR qualifications or experience, you must have tourism-related, i.e. restaurant, bars, sales stuff, experience or qualifications.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): I would say if you tell me so. I have read it; I cannot say I remember off hand exactly what is on that.

The Chairman: But given how it is now structured, what I am saying seems like a logical deduction, right?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Yes, yes.

The Chairman: My concern about that is—getting back to the point raised by the Member for West Bay—that is a very unique set of qualifications which is going to be hard to find in the local environment; because the way the industry and the economy are structured in Cayman, if you are a professionally qualified accountant, you are most likely to have spent your whole life moving up in the accounting field to a CFO and not bothered to look side employment in hotel or HR management.

Is there any concern of the board that if the person currently in the position decides to leave, there may be some difficulty in filling that position?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, I guess we have not given it consideration.

What you have just said makes complete sense and it may be something that we should look at, but I must say we have not given consideration to a replacement or how we would replace.

The Chairman: I think part of the danger in that is that often times, we allow employees to tailor the job description to their selves and therefore, almost guarantee employment.

What is the board doing, and how are you going to manage the other 74 members of staff at the Turtle Centre who did not get this windfall?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Well, the bottom line is at the end of the day these employees will be paying it back and I think that is the angle.

I just heard that there have been some resignations over this and I was not aware of that, and if that is because of this, then there is obviously something we are going to have to manage.

The Chairman: Has the board considered any disciplinary action for the CEO on this mistake?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): I do not know. I think there was some discussion as to where it took place but we feel it was a genuine mistake and there was a genuine misreading and misinterpretation of what the pay policy guide said.

The Chairman: I do not expect that the board and you, as the board Chairman, would be involved in that kind of minutia, but the thing that is most concerning to me is that the CEO was allowed to remain in the board; and it is going to be very interesting when we read the Minutes to see whether it was him who proposed this unique settlement which allowed him to keep his money and continue to get it.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): I have to say that falls on me; I should have been and I didn't. We were just trying to find a solution. I would say you are probably right. I mean, I think you are right that he should not

have been in on the discussions, but that would have fallen to me. It was never raised.

The Chairman: Right.

Can you recall who suggested the four solutions to the problem? Was it the CEO?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): I am sure he was involved in it but there were suggestions from everyone when this came to light—what do we do? I cannot say that he was the one that came up with four solutions, but I am sure he was involved.

The Chairman: Okay.

Do you have any questions?

Mr. Christopher Saunders: Are you ready for me now?

The Chairman: Yeah, man.

Mr. Christopher S. Saunders: Okay.

Mr. Chairman, thank you; I was waiting patiently to give every member the opportunity.

Mr. Brian, I will just call you Mr. Brian, because I think that is how we all grew up referring to you, anyway. As I said in my earlier statement, one of the things I am primarily concerned with is the governance and, just out of curiosity, how many sub-committees of the board are there?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, through you: There are no sub-committees of the board.

Mr. Christopher Saunders: Sorry? There are no sub-committees?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Of the board, no.

Mr. Christopher Saunders: I raised that issue because most boards would operate with different sub-committees and those sub-committees would normally be staffed with the members of the senior management team.

For example, you have an HR sub-committee that looks at HR policies and procedures and the like—the senior HR person for the organisation would be there; then you would have a finance sub-committee and an operations sub-committee that pretty much does the same thing; and then of course, you have the audit sub-committee which would deal with the auditors and everything else.

Those sub-committees would pretty much report to the entire board and the idea behind that governance model is that it gives the board members access to the first line reports of the CEO so they can get a better idea sometimes, in terms of how certain things within the organisation are going.

Those normally would be staffed with different members of the board with different expertise, because one thing you will notice with most government boards is sometimes they literally structure out where they want an accountant, or a person with legal or IT background and so forth, to do better with that.

The reason why that becomes necessary is something I was surprised with yesterday; and this was something that came out back in 2002/2003 when the whole collapse of Enron and Sarbanes-Oxley where they started looking specifically at the CEO, the COO and the CFO positions—pretty much the C-Suites, as they refer to them.

One thing that glaringly came out of that is that the role of the CFO is actually there to protect the interests of the shareholders. I use the term “corporate snitch”, but they are the ones who are expected to kind of buck heads with other senior management to make sure at the end of the day, that whatever decision is made, is made right. You can have a salesperson tasked with going out there to increase sales, but then the cost of increasing the sales sometimes is not worth what it is; but in their books they are just increasing sales revenues coming into the book and it could also even mean bad business that you are bringing on. The role of the CFO is to keep them in line—yes, *it sounds good but it is a bad business decision*.

I will give you an example of what I am talking about: Looking at the 2018 and 2019 results of the Turtle Centre—and this is from the financial statements—you will see that revenues increased.

Revenues for 2018 were \$7,772,160 and for 2019 were \$7,911,852 so revenues actually increased by just under \$140,000 or 1.8 per cent between 2018 and 2019. You can sit back and say, *well, that is good; revenue is going up*, however, at the same time, the cost between 2018 and 2019 increased by over \$361,000 which is 2.7 per cent. Generally in finance, we refer to that as negative jaws, where if your expenses are growing greater than your revenues, then something about your business model is not working and this is where the old tweaking comes in.

The roles of the CEO and the COO are generally strategic, in terms of meeting the strategic objectives, but the CFO is there to kind of rein them in. What I have found now, is that you have a governance structure where one of the two people tasked with the strategic direction is also in charge of the one position that is supposed to rein the other two in.

Therefore I am trying to figure out from the board's standpoint, where you do not have your representative in senior management, which in essence

would have been the CFO, what steps are being taken or are going to be taken to have your eye on that day-to-day management, because you do not have the CFO there to look out for the shareholder [and] you do not have the sub-committee that gives you greater understanding of what is happening day to day.

I am trying to figure out at least what the board does to get a grip, in terms of what is going on within senior management; that is the governance part that I am trying to hash out at the end of this because as the Chairman mentioned in his opening, this is not a “got you” business. At the end of the day, all of us want the Turtle Centre to succeed and the reason we have these hearings is to hash these issues out so at least we can all learn from each other from different experiences, et cetera.

The question then is: What structure or governance is going to be done to basically get this under control, because if you look at the Turtle Centre, I think there are two cases before the court right now which is again because of poor internal controls; things that should have been caught easily were not caught and ended up being criminal matters, so it is clearly a break-down of internal controls.

Then you look at this other issue right now, with regards to salaries. That again is a breakdown of internal controls and when you look at your staff turnover rate, which is almost 20 per cent for both 2018 and 2019, it is well above the average within the civil service and I think the CEO testified yesterday that of the 19 that left, 10 were terminations. So there is a culture where, if you mess up within the Turtle Centre you will be fired, but that seems to be only at the junior level.

Now we are trying to figure out how the governance structure works at the senior level—how are they held accountable—because, despite many of these different stuff, I think maybe only the IT Manager has basically been and that is because it is different issues, in terms of what he allegedly did. That is what we are trying to figure out because it is clear that the oversight to senior management that the board needs is not there. The question is—and I apologize for the long preamble—what steps is the board going to take now to get a better grip on the governance of the Turtle Centre?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chair.

You know far better than I. I cannot say that I look at the CFO position as a snitch; in my mind I look at it as someone who makes sure that the finances are like you said, you should be picking up if the revenues have increased but your expenses have increased even more, that is not a good sign.

That is the kind of thing I see a CFO as, I did not think of them as a snitch. Obviously, they are doing the accounts and presenting them to the board and maybe I am wrong in that we need to look at that, if that is what it should be.

Mr. Christopher Saunders: The reason I used the snitch is because I used to be a CFO and my other management colleagues used to refer to me as a little snitch because I would say to them, *I am going to the board and giving it to them as is, so if you do not come correct, I am snitching you out*; and I would literally tell them, because the symbolic reason why I say the CFO is there, as the representative of the shareholders is—

[Inaudible interjections]

Mr. Christopher Saunders: I do not use the word ‘whistle-blower’; I use the words ‘corporate snitch’ because in any organisation, the very first entry that is normally made in any ledger, even if the company goes back a hundred years, is that credit to equity—which is the shareholders money coming in—and the debit to either cash, machinery or whatever it is.

The first entry has always been the shareholders putting up money and for us as CFOs, it sends the message that that first entry, that credit to shareholders’ equity, is why we are there; it is why this business is set up. That has been the reason why it has been inculcated in us that we work for the shareholders even though we are part of the senior management team.

Our job as CFOs is to rein in the other members of senior managers to do what is in the shareholders’ best interest. As you said, when you look at situations where expenses are growing faster than revenues, that is the conversation that the CFO—a person of equal rank and seniority to both the CEO and the COO—can have; a finance manager reporting to a COO cannot have that conversation saying to their boss, *listen, this is so and so*.

Normally, most boards that have a finance committee or sub-committee or audit committee you will also find the CFO on it and the CFO will also have access to his boss’ boss, even though he would report to the CEO on a day to day. That gives him the protection to do his job because at the end of day, if you want to hold people accountable and yes, you are going to step on toes, you also need the protection of your shareholders, who are ultimately the boss of everything, to say, *well, no; he is doing his job, leave him alone*; and that environment needs to be there.

When you look at the break-down of what happened with the cash that allegedly went missing, something I was concerned about is that a new person picked it up very quickly, which means it was

quite evident in terms of the amount but, at the same time, you had that person coming from the same organisation that was auditing. I am not saying that the organisation did something wrong, but this goes back to maintaining a certain level of independence—when you have people who worked for you before auditing you, sometimes personal things may happen.

This is directly where you need those situations in place where, at a minimum, the board is aware of it and can start taking certain things with a grain of salt, or at least have some idea how that should go but, it is the culture of the Turtle Centre that we are trying to establish here and, more importantly, what do we expect the governance structure to look like going forward in light of everything that has been disclosed here and has happened in the past?

That is what I am trying to get a feeling of—where do you, as the Chairperson of the board of the Turtle Centre see the governance structure evolving to, because it is clear that what we have is not working. What changes can this Committee and the public expect to see from the Turtle Centre going forward, to hopefully start arresting some of the deficiencies that we have?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Thank you for the question.

Through you Mr. Chair: I hear everything you say and you are probably right, so it is something we will have to look at in terms of the CFO.

Just a comment: Those two issues happened under the watch of a CFO which was separate to CEO and so on. I am not saying that is right or wrong or whatever; I view CEO and COO are all responsible to the shareholders, in effect, you all are shareholders, you are representing the owners of the company so, they are all responsible to you and so are we, as the board. Whether it is a separate entity and maybe it should be right, I have to take your guidance on that and we will explore that option and see whether it is the right thing or not.

All we really did was follow what the Deloitte study and all the interactions recommended. They seemed to think that was a good way of streamlining it and everything and it did not seem to be an issue. We can explore whether that is an issue and whether it should be broken back out.

Mr. Christopher Saunders: This goes back to the point that we asked before regarding the terms of reference for the Deloitte engagement, because if you go with an organisational efficiency terms of reference, where what can you do to make the organisation more efficient, does not necessarily translate that you are going to improve or increase governance. Governance and efficiency are two completely different things.

I can tell you right now, very few CEOs can evaluate a CFO. It literally takes another CFO or another accountant to literally evaluate another accountant; and you can sit on a finance sub-committee and by interacting with that CFO on a day-to-day basis and you being a successful business man for years, you can look back and you can say from your own experience, *this guy is not switched on, this guy has lost it*. It is that interaction at the sub-committee level that gives the board members the comfort level to say, *you know what? I got full confidence in this person, at least to carry out what they are supposed to do*.

It is that is governance and oversight; but as it stands right now, the board literally has blinders on where the only link in the senior management is through the CEO, so the ability to really evaluate him or to get a 360 evaluation of people on his level, below his level and on his sphere is very limited; from that standpoint alone, the board is almost operating blindly, where it is just that one link into the senior management.

I think it is now to find a way to get more of an understanding, in terms of some of these issues that are happening and not just be dependent on one person doing a presentation where everyone else is pretty much his employees.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chair.

In the past we have had some sub-committees but it is usually a specialised task that we are looking at. We do not have any permanent ones and maybe that is something we need to look at.

Again, you are talking about the link from the CFO to the board. Currently the COO, but before that the CFO, came in every month and went through the monthly accounts and year to date accounts and explained them all to us and answered questions we had. So we have that interaction with them on a monthly basis but other than that we do not have sub-committees set up where we would be meeting more often.

Mr. Christopher Saunders: In terms of the board report itself, some boards that I worked with in the past had a standard Key Performance Indicators (KPIs) of, like, 64 things that they would look at specifically every single month on a line-by-line basis so you look at it monthly, quarterly, year to date and compare to the same period, whatever.

In terms of the KPIs that have been developed to get the full grasp of that, has the board established a standard template in terms of what they expect to be looking at to judge certain successes?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Edu-

cation Centre (CTCEC): You would have to explain to me what KPI is.

Mr. Christopher Saunders: Oh, I apologise; Key Performance Indicators.

The rule in accounting is that when that CFO or COO comes and makes that presentation to the board in terms of the previous month's results, they generally report on what has happened and there is nothing anyone can do to change what happened—it has happened. The purpose of the board meeting is to take what has happened to predict or manage risks, in terms of what you think will happen if we make this change, this change or this change.

That is ultimately why you have those board meetings to say, *okay; well, based on this trend if we continue here, in the next six months this is where we want to be, but if we fix this or change this, this may become something else.* That is pretty much the difference between book-keeping and accounting—one tells you what happened, one tells you what is going to happen.

I am trying to get an idea of the typical board agenda in terms of what is it that you and your board members are specifically looking at each month to say, *well you know what, we are happy with this or we are not happy with this*—is it a reporting session, a discussion session, an argumentative session?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chair.

Typically we receive I guess you would say the financial statements for that month, which would include year to date. We also receive management reports before the meeting and then during the meeting the COO will come in and go through the financial statements which show all the expenses to date and for the month and also all the income.

We look at all of those items and compare them and try to discuss them and make comments on them. I cannot say we have a particular set of topics that we look at, but we look at the whole financial statement.

Mr. Christopher Saunders: Okay; just to understand. Going back, I guess it would be to the start of the financial year starting with the budget process.

What does the budget process for the Turtle Centre look like? What format was followed?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): We create the budget based on previous but also what we anticipate in the future, in terms of income and so on. I am not sure exactly what you mean but. . .

Mr. Christopher Saunders: Okay. The management would have normally prepared a draft budget plan for the board to approve. When it was presented to the board, how was that draft budget presented?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): I guess it would be brought by the CEO and presented as a budget for the coming year.

Mr. Christopher Saunders: Okay. Now, in terms of when it was presented by the CEO, did any of the other senior management staff come with him to the board?

I will tell you exactly what I am getting at because as I said, I am not trying to get into a "gotcha" thing. What we are looking for typically, is that when it comes on to a board and the budget is being prepared, what generally happens is that each section would come through and represent their section to the board to get that kind of sign off. Now you are getting to the type of underlying information where you can question them on a line-by-line.

Take marketing, for example. Yes, they will give you a revenue number driven by sales, but below that there are certain assumptions being made and it is that assumption level that we are trying to at least understand. For example, if they get up and say they are going to grow revenues by X, part of that would be driven by what numbers is the Government looking for in year arrivals? What are you looking at for cruise arrivals?

I can tell from some of yesterday's testimony that some of these things are being looked at, so I am not going to say it is not being done; but at the same time, we are trying to get into the micro-type discussion or the assumptions that drive it.

It is at that starting point where the board can say, *well, okay, these are the assumptions that we are looking at.* These are those key performance indicators where, if air arrivals are up one month, *I expect revenues to be up one month; if cruise arrivals are up one month, I expect revenues to be up.* So if someone comes in and revenues are down one month but air arrivals and cruises are up, then clearly something is off. I am just trying to get an idea of what is being done.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chair.

I say the CEO, but the COO or the CFO previously would have been in on the presentation of the budget as well. We have had the marketing officers in to present what their position is and what they are attempting to do for the coming year but really the budget is prepared by those guys and then presented

to us and we can and do ask why and what the amounts are, and so on.

Mr. Christopher Saunders: Just out of curiosity, going back to the salary issue. If salaries or staff costs jump up one month to one month or over a period of three months compared to the same period in the prior year, at what point would someone ask, *wait a minute—why did this cost go up by this percentage? Or why did this go up by that?*

How was that presented, to not realise that someone did something without the board's approval?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Well, we do look at wages or salary because that is in the financial statement. When this was occurring, I think it is not a massive amount so maybe it did not show up.

Mr. Christopher Saunders: You said it was \$23,000 a month?

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): No, no, no; a total of \$23,000.

Mr. Christopher Saunders: \$23,000 for the year.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Well, \$23,000 is the amount that has been paid. It is an average—

[Inaudible interjections]

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): If you average in total.

In total it is an average of maybe \$900 per person. It is 24 people as I understand it, which until October had received the total \$23,000. [That] was the amount paid which should not have been paid.

Mr. Christopher Saunders: But this over what period of time? It is what? \$23,000—

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): It varied but up to a year, as Mr. Chairman has pointed out; but some were less because some took effect more recently.

Mr. Christopher Saunders: Okay. Alright, Mr. Chairman. Thanks.

The Chairman: I just need to clarify, particularly for the listening public, the commencement of the Public

Authorities Law, because I think we allowed the CEO and the COO to bail themselves out yesterday, by saying that a particular section of the PAL had not commenced.

Just for the listening public, we have this thing that we put in the laws now in clause 2 that usually says “this law shall come into effect via commencement order published by Cabinet.”

The original commencement order for the Public Authorities Law which was published in 2017 said:

- “1. This Order may be cited as the Public Authorities Law, 2017 (Commencement) Order, 2017.
2. (1) The provisions of the Public Authorities Law 2017, with the exception of section 47, shall come into force on the 1st day of June, 2017.
(2) Section 47 of the Public Authorities Law, 2017 shall come into force on the 1st day of June, 2018.

Then we have something that was issued on the 29th of May, 2018 which altered that original commencement order for section 47:

- “1. This Order may be cited as the Public Authorities Law, 2017 (Commencement) (Amendment) Order, 2018.
2. The Public Authorities (Commencement) Order, 2017 is amended in regulation 2(2) by deleting the words “1st day of June, 2018” and substituting the words “1st day of June, 2019”.

So section 47 is the only section of the Public Authorities Law that did not commence in 2017. The old adage is ignorance of the law is no excuse; certainly the board of Cayman Turtle Centre should have been expecting that section 47 of the Public Authorities Law would have come into effect on the 1st of June, 2018.

It was not until the 29th of May, 2018 that that was changed until the 1st of June, 2019; however, that was only section 47, which means that salary increases—which is covered by section 48 of the Public Authorities Law—that section of the law was in effect, and that section of the law says:

- “(1) A public authority shall not award cost of living adjustments for staff of a public authority unless permitted to do so by the Cabinet.
- (2) Subsection (1) does not apply to individual salary changes.”

And that is the section that the COO and the CEO relied on yesterday to claim that they were not in contravention of this law because it was only individuals; but it happened to be the whole top management and 4 says:

“(4) A public authority shall not introduce a bonus or performance payment scheme for staff of the public authority unless the public authority is permitted to do so by the Cabinet.”

So the mistake would have to have had, in my view, Cabinet approval before it could be implemented. It is unfortunate that the board had to seek legal advice as to whether they needed Cabinet approval after that had been ongoing for some time.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, I do not think we sought legal advice as to whether we had to go to Cabinet. We sought legal advice as to what remedies and what had happened and what was their opinion on that.

There was a discussion of the board and at least one member felt that it was a pay raise, so we should go to Cabinet and ask retrospective approval, but I think in the end we did not feel it was a pay raise; I mean, our decision is to try and claw it back. We did not want to go to Cabinet and say, *can you give us a pay raise for these guys*, that was not the intention and so it did not feel right to the board.

As I said, in the end the decision was made to go with the option where at the end of the day, we claw it back but we felt it was not a pay raise and we did not want to go ask for a pay raise because that was not what we were trying to do. It was a genuine mistake made in the interpretation.

The Chairman: But in the end, based on what the board has decided to do of the four options, it has in fact been interpreted as a pay raise, because you are making the adjustment by not giving future pay raises based on the fact that that one was mistakenly granted.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): That is true, yes.

The Chairman: Okay. In terms of the matter of the CEO not recusing himself from these discussions by the Board is clearly, clearly, a conflict with section 43(2), which says:

“Where a member of the senior staff has any actual or potential personal or commercial financial interest, either directly or indirectly, in a transaction or decision being considered by a board, the staff member shall disclose the nature of the interest to the chief executive officer as soon as possible after the relevant circumstances have come to the staff member’s knowledge.”

In this case, the CEO had an obligation to inform the board that he was a beneficiary of this thing and that he was recusing himself.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, could you just tell me the section again?

The Chairman: Section 43 of the Public Authorities Law; and section (1) says:

“All senior staff shall, prior to assuming the function of their office, make a declaration to the Commission of Standards in Public Life in accordance with the *Standards in Public Life Law, 2014*.”

I am assuming that the board has already insisted that all of their senior staff comply with 43 (1). If not, you may want to check on that and if it has not been done, make sure it is done as a matter of urgency.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): This is the disclosure of . . . say that again?

The Chairman: It says: “All senior staff shall, prior to assuming the function of their office, make a declaration to the Commission of Standards in Public Life in accordance with the Standards in Public Life Law, 2014. That is under the section of the Standards in Public Life Law—a Declaration of Interests, I think—and there is a form which they need to complete and submit.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Yes, yes.

The Chairman: Any other questions? If not, thank you very much Mr. Wight, and we look forward to meeting in the future.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, I thank you and I appreciate that it was not adversarial and that is a good thing.

I just want to say that we are trying to do very well and I would say that from everything I have seen the Turtle Centre has really made great strides not since I have been there; before I was there they really began to turn it around.

I know Mr. Saunders mentioned the culture and I have to say I do not feel that culture in the Turtle Centre and if we did we would really make an action against it. I invite anyone to come up—Mr. Saunders, in particular—come into the offices and talk to whom-ever you want.

The Chairman: Unfortunately, that may represent a conflict of interest for us as Public Account having to do the accounting.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): I am sorry; I did not know that would be.

Mr. Christopher Saunders: I will come there for one Happy Hour, though; I definitely will. I have enough invitations to come down.

The Chairman: He cannot take any free drinks. Make sure he pays for his drinks as a member of my committee.

Mr. Christopher Saunders: No, no, no; do not even bother start with that. You forget the person you beat in the 2009 elections with that. Oh, no.

Mr. Brian Wight, Chairman of the Board of Directors, Cayman Turtle Conservation and Education Centre (CTCEC): The other thing: Please, anyone who ever hears anything, I am always willing to listen to whatever any one has to say and I think all the board are. I can only say we are trying our best and it is a very good board as I can see and we are proud of what they are doing, but I thank you very much for the day, sir.

The Chairman: The committee is adjourned until 1:30pm. Thank you.

Meeting adjourned at 11:49am

Meeting resumed at 1:47pm

The Chairman: Good afternoon, everyone; the committee is called back to order and I invite the Deputy Serjeant to bring in the two witnesses.

[Pause]

MINISTRY OF DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT

ADMINISTRATION OF OATHS OR AFFIRMATIONS

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport.

I do solemnly, sincerely and truly declare and affirm that the evidence I shall give this honourable Legislative Assembly—now Parliament—shall be the truth, the whole truth, and nothing but the truth.

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport.

I swear by Almighty God that the evidence I shall give to this honourable Legislative Assembly, shall be the truth, the whole truth, and nothing but the truth.

The Chairman: Good afternoon, Mr. Bodden and Mr. Powell.

On behalf of the Committee, let me thank you both for accepting our invitation to attend the Public Accounts hearing on the accounts for the Turtle Farm. You would have been informed that we are dealing with the accounts for 2016, 2017, 2018 and 2019; but before we get started, I need to apologise for the absence of the Auditor General. Mr. Patrick Smith will be filling in for her role this afternoon and he is supported by Mr. Julius [Aurelio].—I should know you because I recruited you a long time ago.

The rules are that the first time you answer a question you state your full name and your position so it appears in the records. I guess I will lead off.

Mr. Bodden, you are the Chief Officer for the Ministry responsible for the Cayman Turtle Conservation and Education Centre—permit me to shorten that to Turtle Centre for the proceedings this afternoon. It falls under your Ministry, which is charged with the responsibilities, I think, for the Turtle Farm.

Can you tell us whether, in your view, the board for the Turtle Farm is operating in accordance with the Public Authorities Law?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Good afternoon,

Mr. Chairman, Members. Stran Bodden, Chief Officer in the Ministry of District Administration, Tourism and Transport. I thank the Chairman for the question.

In my opinion yes, sir, it is; but I am sure there will be questions on aspects that there may be other opinions on, that I am happy to attempt to answer.

The Chairman: Right.

In the Public Authorities Law, I think it is section 51, details what your responsibilities are as it relates to the duties of the Chief Officer; page 29 in my law; section 51.

What instructions or guidelines has your Ministry issued to the Turtle Centre board and how do you monitor the performance of the board in accordance with section 51?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Thank you, Mr. Chairman, for the question.

There have been no formal guidelines issued to the Turtle Centre, however my Deputy, who is also here today or I, attend board meetings and provide advice to the board. We are not voting members of the board, but we do provide advice in board meetings to the Turtle Centre board.

The Chairman: Okay. Is such advice recorded in the board minutes or other than in the minutes of the board?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Yes, sir. As far as I know, the advice is recorded in the board minutes. There is no other medium I am aware of.

The Chairman: Okay. This morning, this Committee received what we regard as very troubling evidence from the Chairman of the board in regard to one of two salary increases that occurred in 2019—one we clearly understand was a result of an exercise done by the consulting firm Deloitte, the other is what the CEO and the COO described as “a mistake”.

They said, *well, it was not really a salary increase*, but they got more money every month so I do not know how else you are going to frame it; but anyway, he gave us evidence that the CEO appeared at the board meeting and did not recuse himself. Now, I do not know whether you or your deputy were at that board meeting but if you were, do you recall that the CEO was there?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and

Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, thank you for the question.

I think that was earlier this year in June and no sir, I was not at that board meeting. I believe my deputy, Mr. Powell, was there.

The Chairman: Okay. Mr. Powell, at the meeting where this mistake—we will frame it that way for the time being—was discussed by the board, was the CEO present?

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Good afternoon Members, listening public: Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport.

Yes, Mr. Chairman, the CEO was present at that meeting; I think it was the 17th of June, 2020 meeting when the board was advised of this issue from my recollection. At that point we were just being made aware.

The Chairman: Okay. The CEO obviously did not volunteer to recuse himself and the Chairman gave evidence this morning that he did not ask him to recuse himself.

As CEO, was he actively involved in the discussion of the mistake, justifying the mistake, and in offering solutions to the mistake?

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Yes, Mr. Chairman, at that point that was the presentation of the issue so I guess it would have been a requirement to recuse himself at that point; there were subsequent meetings where solutions were proposed and yes, he was actively involved in proposing those solutions and the discussions.

The Chairman: So he attended more—because I kind of thought this morning that he had only attended one meeting. In other words, he attended all the meetings that discussed this matter at board level?

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Yes, Mr. Chairman.

The Chairman: Wow.

Can you tell us why the board did not think that this needed to comply with section 43, which requires all civil servants to have registered their interests, but subsection 2 talks about **where a member of the senior staff has an actual or potential personal or commercial financial interest**; because the evidence so far indicates that not only did the CEO

get a salary increase, but it seems like he may gotten the greatest increase.

This morning the Chairman indicated that there was some discussion about compliance with 47, which is the need for salary scales to have Cabinet approval and [that] he believed the board had requested through the Chief Officer, and gotten Cabinet approval for the first raise of pay, which was a restructuring as a result of the Deloitte consultancy. Can anybody confirm that?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): I think I will speak to that, Mr. Chairman; 47(1), **all public authorities shall use the same salary scale as determined by Cabinet and all jobs shall be evaluated by the same job evaluation methodology.**

I watched the hearing this morning and confirmed with Portfolio of the Civil Service (PoCS) that when it says, *shall use the same salary scale*, that is referenced to the civil service salary scale, right? I think the Chairman was of that view but we did not go to Cabinet with that.

I think you read it out earlier today, sir, how this compliance kept kind of being pushed forward. That is happening now, that all Statutory Agencies and Government-owned Companies (SAGCs) jobs are being evaluated by the head methodology in conjunction with the PoCS; and I confirmed with them that that process is ongoing currently at the Cayman Turtle Centre.

The Chairman: Okay; so in essence what happened was then, that because 47 had not yet been brought in—because it should have come in in June 2018, but it was put off another year—the board allowed the management of the Turtle Farm to give themselves two salary increases prior to this coming into effect, to make sure that they got what they believed were salary increases prior to that evaluation under 47.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, could you ask the question in a different way?

The Chairman: Okay; alright.

Everybody knowing that 47 was supposed to come in in June 2018—because my grandmother always told me ignorance of the law is no excuse, and this Public Authorities Law was around for about ten years before it was final; and every Government Authority and SAGC had lots of input and discussion around it, so no CEO of any government entity should be able to claim that they did not know what was in the law.

The question I am asking is: knowing that 47 was coming in June 2019 why did the Ministry, or the board, allow the Turtle Centre to get two salary increases immediately prior to that coming in, knowing that the whole purpose of bringing in the Public Authorities Law was to find some way of adjusting what many considered run-away salaries in authorities closer to civil servants?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Okay, thank you Mr. Chairman for asking in a different way.

As you said, it was appointed for one date. As I understand it, this is my view: the CTCEC was working towards that. It kept getting pushed, but they were benchmarking salaries for persons who were in similar roles, so that was being worked on. From my vantage point, this exercise that is now being headed up by PoCS in conjunction with the Law is separate.

The Chairman: Okay, great; we have not seen the whole consultancy report yet. What we got so far is just a section which is supposed to be a draft report but apparently the board just made all their decisions based on the draft report. Nobody seems to know where the final report is, right?

What I am trying to find out is: knowing that the Public Authorities Law came into effect in 2017, was the consultancy an exercise to bring salaries in line with central government, or was it an exercise to upgrade or bring the CTCEC salaries in line with private sector entities, in preparation for an adjustment that would come in when 47 was brought in?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, that being almost three, four years ago now, I could not answer that as specifically as I would like.

The Chairman: Alright, I guess when we get the report we will be able to see where the benchmarks were drawn against.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Yes, sir. And [I have written down a note to provide the final report, not the draft.](#)

The Chairman: You have one?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and

Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): No, sir.

The Chairman: Because nobody else can provide us with a final report but anyway...

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): [I will get it.](#)

The Chairman: The other question I have for you is sections 43 and 48, which again talk about public authorities shall not award cost of living adjustments [or] introduce bonuses without going to Cabinet, were in effect, because it was only 47 that was exempted from coming into law in 2017.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): That is correct, sir.

The Chairman: So, can you give us any insight into why the board was allowed to grant these new salary scales from this consultancy without getting Cabinet approval?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): As we talked about before, 48(1) specifically refers to cost-of-living adjustments. That is increases in the CPI annually, so it was not linked to that. That was why.

The Chairman: Right. Okay, but what was it linked to?

From evidence given to us, it seems like it would fall under [48]4 which is, “**A public authority shall not introduce a bonus or performance payment**”, because we were told today that the mistake was that they were supposed to get a one-time payment of—I will just give you a figure—\$100 for instance, which would have been a bonus or whatever you want to call it.

However, the mistake was that, instead of them only getting one \$100, they have gotten \$100 every month, anywhere from two to twelve months. So if it does not fall under [subsection] (1), which I agree it was not cost of living increase—by the way, you are the only one that has tried to identify to us how this was given, and you have eliminated at least one and said it was not cost of living.

Because it was individuals who got it, the COO is trying to rely on subsection (2), which says it does not apply to individual salary changes, right? But

it was not individuals; it was 23 people who got out of a similar scheme.

This was not a situation, according to evidence we have been given, where they selected the HR Manager to give them a particular one-time payment; this was part of a scheme that seems to be—which we have not really gotten that evidence so clearly yet, and I will probably have to ask Mr. Perry who was at the meetings—that it was intended for everybody but somehow, it only went to 23 people and those 23 people were at the top.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, I can try to start from the beginning of your point of questioning.

In my opinion, I would say that [sub-section] 4 does not apply either because it speaks to a bonus or a performance payment scheme. As I understand, what was done was the benchmarking of the posts, the jobs there at CTCEC; so it was not based on a bonus or performance scheme, it was based on the roles that people played.

The Chairman: In relation to the Deloitte consultancy?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Yes, sir.

The Chairman: I agree with that. What we are talking about is the mistake.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Yes, sir.

The Chairman: Okay.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): I do not think we should go into details on who the persons were in this public forum, but you mentioned there are roughly 100 people at CTCEC.

I looked at the 24 persons, I think it is—

The Chairman: Yes.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation

and Education Centre (CTCEC): As you would expect, I really only know the senior managers and of the persons on that list, I really only recognised two or three names.

I am just speaking to your point that it was just the senior management; in my opinion, it was not, because I did not know the other 20 persons.

The Chairman: Okay; but it was 74 people that did not get.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): I would think approximately yes, sir, given that the staff compliment is somewhere roughly 100.

The Chairman: To ask Mr. Perry, if you do not mind.

When this proposal was brought to the board for some corrective action or something, what was the justification given to the board for these people to have gotten that award which is now being identified as a mistake?

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Mr. Chairman as I recall, I am not sure that the justification was clear. From the Ministry perspective we did advise that the board should seek legal advice on this mistake, as it was described as a mistake. We are cognisant of the fact that, you know, employees do make mistakes so I advised them that we should seek legal advice because I think there was a proposal put forward on the 17th June of red-circling these increases, which I personally did not agree with.

From the Ministry and legal perspective we advised them to get legal advice on that proposal and subsequently we received legal advice; unfortunately, the legal advice does not tell you specifically what to do. I think there were four options provided for legal to consider, the legal department considered them and in all those options basically advised us the various issues that you have to think about and resolve.

The Ministry did not give me specific directive as a nominee board member for the CEO, but I did advise them to seek Cabinet approval. As it was unclear as to what type of increase this was, the safe bet was to get Cabinet approval or even make Cabinet aware that this mistake had occurred.

The Chairman: First we were told this morning that there were four solutions that the board considered. Those four solutions came from the CEO?

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Mr. Chairman, no; I think they were after the board

discussions—basically the board discussing the matter and various people providing their inputs.

I think the first solution, the red-circling, came from the CEO—I distinctly remember that—but the other three solutions I think were a result of discussions.

The Chairman: Because, of the four solutions, the one that seems to be deliberately missing is to ask the people to give the money back.

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Like I said, that was discussed at the board of course in line with the legal advice. I think legal basically advised, yes that is an option that requires the consent of the employees.

The Chairman: Okay.

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: So that was discussed at the board but as the Chief Officer pointed out, our role is to advise. We do not have a vote, so the board made its decision.

The Chairman: Okay. Because I cannot imagine people working for an organisation and the CEO saying *I was one of these people that got this money, I am giving mine back and I want you all to give yours back*, that they would say no. Especially given the support that the general community, all workers in the Cayman have for the concerns now with COVID and economic impact thereof, right? But it seems that that was not option that was given a lot of serious thought or discussion.

It seems like they jumped on the legal advice to eliminate that right away.

[Inaudible interjections]

The Chairman: Okay, go ahead. I will come back after Chris.

Mr. Christopher Saunders: On the same questions as the Chairman: What has gone to Cabinet for approval in the period of 2017, 2018 and 2019? What has gone to Cabinet for approval?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chairman, there were various cost of living adjustments that were awarded to various SAGCs, Cayman Turtle Centre being one of them. So when that happened, that went to Cabinet for consideration.

Mr. Christopher Saunders: Okay, just looking at the financial statements here.

I will say off the bat, that of all the annual reports that are put out there by different government entities, I can say this is probably one of the most comprehensive, in terms of detail provided, so I want to recognise the efforts of whoever put this information together but as usual, the devil is in the details.

I am looking at the financial statement for 2018 for the 18 months—page 30. In 2017, I notice that there was an incentive pay of \$82,928, and again in 2019 there was incentive pay of \$54,287. I also notice that between 2018 and 2019 the salaries to senior management in terms of the six positions that were there for both 2018 and 2019 actually went up by 14 per cent year on year in terms of salaries, in terms of cost.

I am trying to figure out where along the line were these incentive paid. I am assuming these incentive pays are bonuses. Is it that CTCEC is paying bonus—is that what these incentive pay represent? Is it a bonus that they are paying?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, through you. Could you state the pages again, sir?

Mr. Christopher Saunders: Sorry, on the 2018 report on page 30; note 14—related party transaction and key management remuneration; and then on the 2019 report on page 29, which is also note 14.

The first clarification for me is the almost \$140,000 in bonuses paid; I am just trying to understand the approval process around the incentive pay or what it represented.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Through the Chairman: my response would be sir, that this is for staff whose specific role depends on how they deliver. This is not across the board performance.

Mr. Christopher Saunders: No, no. This is only for management.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Right, that is what I am saying.

In my opinion, where the law speaks to performance-based pay that is across the board; so that is not in effect and if that was in effect, that would go

to Cabinet but again, this is how their salary is made up—in my opinion.

Mr. Christopher Saunders: Okay. I just want to make clear that there are senior managers—because according to note 14 there are six of them; of the six senior managers in CTCEC, there is one or more that is actually on an incentive pay scheme where they get paid a bonus or incentive payment?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Yes, sir. That would be correct.

Mr. Christopher Saunders: Okay. I just want to make sure. The Turtle Farm that depends on subsidy, is out there paying bonuses to senior managers or incentive pay—whatever they want to describe it as—when there are other government agencies that do not rely on that, and are not receiving bonus or incentive pay?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chairman. Again, this is the work of those persons. They are involved in selling tours and other aspects of the Turtle Centre pitching them to people to get them to buy; typically our cruise line partners and others, so again, based on their efforts to bring in more business into the Cayman Turtle Centre as I understand it, they get a performance-based pay.

Mr. Christopher Saunders: Something jumped out when the Chairman was here this morning, and this came back to the issue in terms of the overall performance.

Most of the time, you can have something driven basically just on sales, where you pay a commission or whatever on sales, but it does not necessarily mean it is the right sales or the right mix; because we are looking at a situation where cost, for example, went up by 2.7 per cent by \$361,000 between 2018 and 2019 and revenues actually went up by 1.8 per cent. We have a situation of negative jaws where expenses are actually growing at a greater rate than revenues, which naturally is something unsustainable and make the overall organisation inefficient.

Put it this way: I will leave that for something else. I will not get into the incentive pay thing because that is an issue for me already in terms of the bonuses and who should be getting them. Not that I have a problem with them getting bonuses; I believe more public servants should be getting a bonus, I just want to put that out there.

Now, just looking back on 2019, I notice the salaries of senior management went up between by 14 per cent between 2018 and 2019, in terms of remuneration; and recognising that the civil service average increase was around 5 per cent, can someone explain to us the rationale between the cost of senior management going up by 14 per cent between 2018 and 2019, when across the civil service it actually went up by around 5 per cent, which was what most people were getting?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman through you; the page number again?

Mr. Christopher Saunders: That is on page 29 of the 2019 report. Again, that is Note 14 that deals with related party transactions and key management remuneration.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Sorry; the Annual report or the financial statement?

Mr. Christopher Saunders: My mistake; the Financial Statements, page 29. The financial statements are attached to the Annual Report; it is on page 29 of the financial statements.

[Inaudible Interjections]

Mr. Christopher Saunders: Yes. It is just the salaries that I am looking at, that went up 14 per cent year on year. I am just trying to understand that increase.

[Inaudible interjections]

Mr. Christopher Saunders: Hmm? It is just the six people. It went up by 14 per cent so I need to understand.

[Inaudible interjections]

Mr. Christopher Saunders: No; these are not across the board, no.

[Pause]

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chairman, *I would have to give an undertaking to find out why. I would not have that explanation to hand this afternoon, but I will find out.*

Mr. Christopher Saunders: Thank you. Mr. Chairman, you can continue; you were on salaries, so I just wanted to comment on that topic.

The Chairman: Getting back to you Mr. Perry, if you do not mind, in terms of the discussion around this mistake, right?

Reading between the lines yesterday and today, it appears that this mistake was made because somewhere in the formula that Deloitte prescribed to evaluate a salary, years of service came in and it seems something to do with some people if you worked one year, you got something; if you worked ten years, you got something else and it seems that in this case, the mistake was only related to some people getting that, instead of everybody in the organisation.

In other words, if you had a bartender that had in ten years, he did not get anything, but if you had one of these people at the top with one year, they got a part of this mistake. Do you recall if that was part of the justification that was presented to the board by the CEO?

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Yes, Mr. Chairman; there were no specific details provided in regards to the mistake, in terms of amounts and persons in the actual breakdown.

I think a board member may have asked for that, but I certainly did not see those specifics. We were kind of just dealing with the overall issue of the mistake there—we did not get into the particulars of how and why. I think most of the board was just concerned that:

1. The mistake occurred; and
2. The controls around how that could have occurred without—I think there was testimony that the CEO and the COO did not approve these—but it somehow found its way into the salary payments.

The board mostly focused on:

1. The legal issue; and
2. The operational issue—how could this have occurred

So we were not privy to all the little details. I think they left that for the CEO to determine, because when we asked how this occurred, I do not think there was a lot of detail provided on what led to the breakdown.

The Chairman: If you had to endure what we endured yesterday; you got a lot of words but it was hard to find any answers or specifics therein. What I would have referred to in the Floor of the House as a chopped salad of words.

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport:

Right, and Mr. Chairman, I would just say that ultimately for the Ministry, our primary concern was compliance with legislation, so from the Ministry's perspective, we wanted to make sure whatever decision was made was in compliance with the related legislation. That was really our focus.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, just a follow up, sir.

As I understand it, and I think it was discussed so I can say it now, to your point on the one and ten-year anniversary; the one year would have been the COO and the 10-year anniversary would have been the CEO as two persons of the 24.

Now, as I understand it, your point was and the example you used the bartender did not get. I am not aware that that occurred, I can only make the assumption that the other 22 were along those lines of whatever other roles that hit the one year and the 10-year.

The Chairman: But I would hazard a guess that at least 90 people out of the organisation have worked there for more than a year, because we were given evidence yesterday that they were losing like ten people a year.

[Inaudible interjections]

The Chairman: So there should have been at least 80 people then if they had 20 per cent turnover in 2019 that would have qualified for the one year bonus or mistake; but for some reason, it was confined to 24.

Anyway, that is behind us now and how we are going to handle it in terms of our recommendation is the thing, but getting back to Mr. Powell: you remain on the board for the duration of this problem up until the point where the board has now, according to the Chairman, come up with a solution?

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Yes, Mr. Chairman; obviously this was during COVID, so we had a lot of Zoom meetings during the lockdown.

Once the issue came up we sought legal advice and until we received the legal advice, then, it came back to the board. As I said earlier, the legal advice did not say specifically what to do, but of the options that were presented, the board then did its deliberations. Obviously we did not have a vote on that but, again, from the Ministry's perspective I sug-

gested to the board that we could go to Cabinet and get approval on whatever decision they made.

The Chairman: Right, but the Chairman of the board said that they have implemented a solution without Cabinet's consideration.

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Yes, I think that is what the board had decided the last meeting I attended; there was a subsequent meeting yesterday and I do not know what occurred after that.

The Chairman: You were at the meeting yesterday.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Yes, sir, and I will explain that because I would imagine it looks strange.

The process we went through—a little bit of a preamble—the Procurement Law talks about a ministry representative being on SAGC's procurement committees. When we sought legal advice, it came back and said that, as Mr. Powell is the nominee person that goes to that board meeting, he could not also be a part of that SAGC's procurement committee.

The Chairman: I hope not.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Yes, sir; [as] I am already a Chief Officer in my role, I cannot be a part of it either, so the decision we took was he would be on their Entity Procurement Committee (EPC) as I could not be, and I would resume going to the board meetings and the first one was yesterday.

We discussed, obviously, how things were going with this meeting of PAC and we went through the various agenda items, management accounts and so forth, but nothing specific on this matter because again, it had been resolved at the October 21st board meeting, I believe was the date.

The Chairman: Okay; and the option that the Chairman said the board has taken was this red-circle solution, which seems very complicated and depends on the people staying employed for about ten years or longer to pay the money back; because if the person decides to leave next year or two or three years from now, they would have collected their salary increase all those years.

I cannot imagine any government entity looking to give salary increases given the current economic situation over the next several years. I notice the

Financial Secretary and his Chief Accountant looking at me with concern.

Mr. Perry, in this red-circle—which is a strange term for this—what is the estimated time frame that somebody like the CEO will take to pay back this money that he got by mistake, which he signed off on, apparently?

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Mr. Chair, I understand this occurred around December, 2019, so we are talking next month it would be a year.

I do not think there were any detailed proposals on the time frames involved in paying it back because it was not an option they were willing to consider as the board made its decision but, based on whatever option they selected. To paraphrase the legal advice, there were a couple of things that should be considered and that was basically adhering to the policy as closely as possible, transparency in the process, financial implications for the Turtle Centre and treating employees in the same circumstances.

The Chairman: The question I was looking for was—but I guess at 14 per cent increase in salary per annum it will not take long. I do not envisage that but again, we still have some time, I guess, before this exercise on [section] 47 is completed, so they may get another salary increase.

In order to liquidate this mistake, I guess the simplest thing for the board to do is to award a salary increase to everybody that takes it above that so they pay it back [inaudible] one salary increase before we get to the government standards.

What I am saying is, when the CEO presented his red-circle solution, did he give you an estimated time that it would take for this people who got this money to pay it back through this formula, given normal increases of salary?

I do not understand how the formula is going to work; it seems very complicated and I do not know how they are going to monitor it but there seems to be a way that if everybody else got an increase next year, but he does not have to start paying back until the increase takes everybody up above where he is, right? Then the payback formula is such that he will not get the next increase which would then allow him to start paying it back. Is this expected to be completed by 2030?

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Mr. Chairman, I do not recall any specifics. I did advise that I did not foresee any increases in light of the situation we are going through, so the time frames in paying this back would be heavily dependent on what central government does, in terms of funding of the

Turtle Centre and overall quotas, and as we know, we probably will not see them for several years.

The Chairman: The other difficulty that I think I, and most of the Committee has, is that it does not seem like anybody knows how this red-circle formula will work, because the COO could not readily explain in terms of dollars and cents; she could not say *well, Ezzard got \$200 over the last year that he should not have gotten, so we expect that in a cost of living adjustment of 4.5 per cent, in three years everybody around him—and that \$200 is ten per cent of my normal salary—so when everybody else get a 3.4 per cent, he does not get that 3.4 per cent, but he still gets his \$200 extra, which is above everybody else. When we get the next cost of living, that gets him up then to 10 per cent, then at the next cost of living increase, which would be up to 14 per cent, just using tentative numbers, I would not get that. So*

The difference between my mistaken salary and that third increase in pay at 4 per cent is when I would start to pay it back; but nobody seemed to be able to explain it, and even that sounds very complicated to me when I say it myself.

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Yes, Mr. Chairman, I think the difficulty in that, like I said earlier, is that you would have to kind of know if we are going to get an adjustment or increase in the future and I think that is highly unlikely now.

The Chairman: Yeah.

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: I think that will be the difficulty in calculating that period, because you have to make an assumption that there will be an increase at some point, and I do not think that is clear from the financial situation.

The Chairman: In the short and minor consideration of having the people pay the money back, was it any consideration to say, *okay, you got this \$100 over twelve months, so we are going to take back the same way—\$100 monthly for the next twelve months?* Or was it only a discussion on legal advice on taking the whole lump sum back at one time?

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: I think there were discussions along that line of taking it back at the same rate that it was received; yes, that was discussed as well.

The Chairman: But that was rejected by the CEO?

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport:

Well, that was not the proposal they went with. The board agreed that the lump sum removal would have been difficult for some people. The same way it was received, should be the same way it would be deducted.

The Chairman: Now, Mr. Chris raised an interesting comment about the bonuses, and your response Mr. Bodden was that some of the employers might be involved in selling tours and stuff to the cruise ship industry.

We know that financially, the Turtle Farm on its own is insolvent; without government subsidy, they would have to shut it down, okay? In the purchase and ownership agreements that you sign on an annual basis between the Turtle Farm—in negotiating those agreements, is there any impetus or interest placed in trying to get the Turtle Farm to enhance revenue from the sources they currently get, to bring them closer in line to what is costing them because obviously, they are giving these tours away, below cost.

If they did a simple thing, you got 250,000 people going through it, if they increase the tour cost by \$4, which I think in Finance Committee we were told that they were retailing to the tourism industry for \$17 on some volume purchase, but they are charging the local people \$50 or \$65 or to go in, right.

The justification was that because of volume, but if you simply increase that tour by \$4, that is \$1 million a year additional revenue, but nowhere does there seem to be an emphasis on the report or the accounts of trying to enhance the revenue sources that you already have.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Thank you for that question, Mr. Chairman.

As you said, the Ministry of Tourism signs purchase and ownership agreements with the board of the Turtle Centre. What I had them do was provide me with the annualised loss for 2016 and 2017—obviously, we know that is what they make every year—because we recall that that was an 18-month budget.

The 18-months was \$11.9 million loss, the annualised was \$7.9 million for 2016 and 2017; for 2018 loss was \$7.55 million, and then 2019 was \$6.9 million loss so again, we were working towards reducing that equity injection that we get from government and we were on track up until COVID-19.

As you know, and I think member Saunders said it, in previous years once we had the debt, which we are now debt-free, was somewhere around \$9.5 million we would get every year. That has now been retired; the amount is now down to C\$4 million so

even though the injection is \$4 million, the net loss is still about that.

The Chairman: Right. If we look at your tourism arrival statistics and compare them to their increased revenue, they are further behind the 8-ball; because the number of tourists that arrived in 2019 was about 100,000 more than it was in 2017. They are losing more revenue because they got more people. They have an opportunity to attract more people.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Agreed, Mr. Chairman, but it improved—I guess that is what I am trying to say. It did not go the other way, is my point. It was coming down, so progress is being made.

Mr. Christopher Saunders: Thanks.

Just following up on or expanding on what the Chairman raised with regards to the incentive because this is still a little bit uneasy with me.

In 2017, \$82,928 was paid out I guess as commissions, et cetera, but in 2018 no incentive pay was made, so I am assuming that whatever target was agreed for 2018 did not materialise, which did not result in any incentive payment; but then, in 2019, incentive payment came back and \$54,287 was paid as incentive.

Now, when I take a look at the breakdown of the income analysis that is on page 45 of the 2019 report, for ease of reference, so you can work with me in terms of where am going with these numbers—then on the 2018 report, it is on page 34. Just so you can go along I am looking at page 34 of the 2018 report, and page 45 of the 2019 report, and I am looking at the revenue side by side.

Now, I am looking at admissions for 2018 and 2019: Admissions in 2018 were \$4,564,150 and in 2019 it was \$4,693,810. That went up by a total of \$129,660 in admissions, retail [and] tours. If the incentive pay was based on the increase in admissions year on year, then of the \$129,660 that increased in terms of admission, 42 per cent or just over \$54,000 went as part of the incentive pay.

I am assuming it is based on the admissions for the simple fact that when I look at retail merchandising sales, that actually decreased by almost \$54,000 between 2018 and 2019 so I know you could not pay a \$54,000 incentive pay when it went down by \$54,000.

I look at food and beverage that went up by almost \$34,000, so I know we could not pay \$54,000 if they only increased it by \$34,000; and I looked at turtle meat sales and that went up by \$29,561 so I know that \$54,000 incentive pay could not relate to that. Then I looked at turtle sponsorships and that went up

by \$503 from \$12,204 in 2018, to \$12,707 in 2019. So I know that increase of \$503 could not attract that \$54,287 incentive payment.

I say all of that to say, if it goes back to admission, retail [and] tours, which went up by \$129,660 year on year, recognising now that the other revenue categories will not warrant that level of increase, I am now curious to find out if it is a situation where someone is being paid commission equal to 42 per cent of what it is year on year increase, because you can only pay commission on what somebody is going to bring in extra or above what is normal.

I would really and truly like for your Ministry and the Auditor General's Office to really sit down and take a look and report back to this Committee on the exact performance target that is put in to justify this level of incentive payment. It cannot be cost-related because cost actually went up over \$300,000 year on year too, so I am trying to figure out what deal or contract is there that would allow admissions, retail and tours to pay out 42 per cent of its year-on-year increase, because that is unsustainable.

This is something I would need for you to take a look at, but it does not look right on the surface because most of the time commissions are based on something that you sell in addition to whatever certain base is. It cannot be a percentage straight across the board, so I am going to ask the Auditor General to work with your Ministry in terms of figuring out how this incentive scheme works.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Through the Chairman, happy to work with the Auditor General's Office.

Mr. Christopher Saunders: Thank you very much, Mr. Chairman.

The Chairman: Is there any long-term plan for this place to break even?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, yes, there was. I did not bring that document today, but we had a strategic session on how we would work towards breaking even, because we knew that the debt would be retired and we would be moving forward without that.

We have a plan; unfortunately, it is not going to coincide with what happened in the world this year but yes, sir, there is a plan.

The Chairman: What is the time frame to get to break even?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, when we did the plan I believe it was around 2018, maybe even last year.

We are very ambitious and we thought anywhere between three to five years, but obviously this year is an extreme set back so we would have to revisit that plan updating it to take into consideration what the new world is in terms of the global COVID-19 pandemic.

The Chairman: Okay. Earlier you said that the ten-year mistake payment was for the CEO; when was his ten year up—2017, 2018 or 2019?

[Pause]

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, the CEO joined in January 2010, so it would have been this year to January, 2020.

The Chairman: So he actually got it for himself a year in advance, because he got it in 2019.

[Inaudible interjections]

The Chairman: Okay. Anyway—

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): My notes say that he—

The Chairman: You know, I am not a great conspiracy theorist. I have a scientific-trained mind, right, but the more you look at this, the more it looks fishy.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, if I could just—

The Chairman: Or the more turtle it looks.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): If I could add; he joined at the beginning of 2010, he got it in 2019. If we count zero and then 1 through 9, would be 10.

The Chairman: Okay, alright. Well, we have been told in other legal forums that zero is not a number when it comes to Cayman status.

There was great stock placed yesterday by the CEO and the COO in justifying these double increases on the Deloitte report and recommendations. One of those recommendations was—according to them, because we have not seen the report to confirm it yet—that they got rid of the CFO position and create a COO position, which was also the CFO.

There was great emphasis on the qualifications, competencies and experience that Deloitte attached to that COO position related to HR and IT, but specifically, the person must be a professionally qualified accountant. Can you recall whether Deloitte recommended that you should appoint a Finance Manager who does not have an accounting degree?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, sorry; I cannot recall.

The Chairman: But you see the dichotomy that creates for somebody like me.

I cannot imagine an accounting firm insisting that a COO have professional accounting qualifications to fulfil the top role as CFO but then recommending in this regrading process—because they told us that this finance manager also came out of the regrading—a finance manager who does not have any accounting training at all; because I asked him specifically yesterday and he said he has two Bachelor degrees, one in business management or something similar.

[Inaudible interjections]

The Chairman: And finance, but he has no professional qualifications, right.

However, you say you do not recall it; hopefully sometime over the weekend we are going to get a report that either confirms or denies these things, but let me get back to the—I will try not to call it malfeasance or misfeasance.

[Inaudible interjections]

The Chairman: No, okay; I am saying around the same thing.

It is really troubling that we have a board that is responsible for this level of financing management that is subsidised by government to the tune of \$4 million in 2020, and prior to that \$10, \$11 million, that will allow the CEO to come to a board with a proposal to get a pay increase for himself and allow him to take part in the discussions; and what appears to

be that they opt to take the red-circle solution that he advocated in the first place—and nobody seems to think that there is anything wrong with that.

I would think that the committee is very disturbed at that total, total, disconnect with any kind of acceptable governance.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, I take your comment on the advisement that section 43(2) of the Public Authorities Law does speak to that, and *I will take that on myself that going forward we advise the board that any instance like that is done in accordance with the law.*

It is standard practice even at this Committee this afternoon; I know Councillor Wight, with whom I work closely within my Ministry, is not here today because of our working relationship so that is an example we should mirror at the Cayman Turtle Centre that again, persons that have even if it is a perceived connection which will lead to a potential conflict should not be present when family members are being discussed. *I take that on, Mr. Chairman,* and I will be providing that advice to the Cayman Turtle Centre board.

The Chairman: It also conflicts, in my view, with sections 28 of the Public Authorities Law—Terms and conditions and remuneration of chief executive officer; 29—Conflicts of interest of a chief executive officer; and I believe it is going to require a consideration of section 30—Discipline or dismissal of a chief executive officer.

If we allow this cover up to stay in place—and some people may think that is strong language but that is what I see it as—where we are capitulating to allowing a mistake to go uncorrected, and allowing one of the persons who benefitted from that mistake to go undisciplined, you set a precedent.

If you do not do something, you cannot tell another CEO that he cannot do the same thing. Even if you tell a board chairman that he should not allow it, a new CEO could argue that *CEO “A” did this, got away with it [and] kept his money; I have done the same thing and under natural justice, that is the procedure of the board. I want equal consideration.*

I am not in a position to make any recommendation one way or another and I am not doing it, but section 30 has to come into consideration somewhere.

Mr. Christopher Saunders: Thank you, Mr. Chairman.

Just for the listening public and the witnesses to fully understand how this became an issue for this Committee: when we look at page 31 of the 2017

report, and that is relating to the financial statements, just to put it in context for you.

As soon as you find it, let me know so you can understand where we are coming from. It is on page 31 of the 2017 financial statements.

[Pause]

Mr. Christopher Saunders: Okay. Are you with me?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Yes, sir.

Mr. Christopher Saunders: When we look at the salaries—and, again, ignoring the incentive pay that was paid in 2016—for the six senior management positions that manage the Turtle Farm, in 2016 it was \$483,246. That is what was paid for total salaries for the six key management positions for the Turtle Centre—\$483,000.

In 2018 it went up over \$101,000 between 2016 and 2018, which is an increase of 21 per cent and then, if I factor in 2019, between 2016 and 2019 it would have gone up over \$181,000 for the six positions that manage the Turtle Centre, which is a 37.5 per cent increase in salaried costs for the management of the Turtle Centre between 2016 and 2019.

I do not think there is any government department or any other government Statutory Authority where the average compensation for the management team has gone up 37.5 per cent between 2016 and 2019 and this is why this issue has popped up in the radar for the committee members, because this is a very large increase between 2016 and 2019.

On top of that, you had a scale in 2016; you brought in Deloitte to put the scale to market which made no sense because by the time Deloitte came in, the spirit of the Public Authorities Law was already there, which means that all of those salaries would have been graded to a civil service role, which should have been conducted by the Portfolio of the Civil Service (PoCS), so you brought in consultants to do something that eventually PoCS would have to sign off on.

Then on top of that, after you brought in and rationalised up, you have gone and taken an additional \$88,000 between 2018 and 2019; and this is where the problem is. The Public Authorities Law was specifically brought in to rein this kind of behaviour.

This House, along with this Committee, would be showing real impotence—after going through the process of bringing out the Public Authorities Law to deal with this kind of behaviour—to have it happen under our eyes and believe it is something that is going to be a slap on the wrist. It is not going to happen.

Then considering the history of the Turtle Centre, where we had a managing director in the past

that did exactly the same thing—gave himself a pay increase without board approval; and this is not just happening here, it is happening in other entities too that we are aware of and we are going to get to them bit by bit, one by one but this kind of behaviour, paying incentive again, doing this when rank and file and the core of government itself is also subsidising your operations...

There are many people within the core of civil service—you guys—of your own time go to those meetings, some of them being held after hours to accommodate the business people, time away from your family and getting absolutely nothing for it and at the same time, this is what is going on for other people that do not even have your responsibilities.

When you look at some of these salaries... We are familiar what the Chief Officers' scale is, in terms of this. I really feel badly because there are many positions in core government that are underpaid, where people are literally working for love of country and to jump up \$181,000—more than \$15,000 a month increase shared between six people—is unacceptable; not when we are working for what is best for the country.

This is really the whole genesis of this salary increases. All that came about when we looked at the natural growth over the years between 2016 and 2019; it is as if no one was reigning in these guys. What has changed in the Turtle Farm that warranted this level of increase of 37.5 per cent? This is unacceptable, so we expect at a minimum the board and those charged with the governance to take a look at this seriously and find out what happened.

Then, when you look at the other court cases that you have going on now where we cannot even touch on some of the issues that we would like to touch on, simply because it may be sub-judice, where you have poor internal controls and then you also have money going missing in a cash-strapped organisation. Hundreds of thousands of dollars missing and no one misses it? These are the kinds of issues and the culture that we want to change.

What has happened has happened, there is nothing we can do to change it, but the most important thing that we want from these hearings and from this Committee is: now that we noticed and these things are being looked at, what are we going to do now to change it?

We found out from the board Chairman that there is not one single sub-committee for the board and again, these are not governance. There is a reason the Financial Secretary has a representative on the board; there is a reason the Minister of Finance has a representative on the board; there is a reason the Ministry has a representative on the board—for exactly these kinds of things.

What we expect at some point is some level of sanctions to show that these laws that we pass have teeth, because they are here to protect the peo-

ple's money. I cannot sit down and tell his constituents in North Side that they cannot get \$150,000 for two classrooms and \$4 million are being to subsidise.

In fact, I will tell you, we do support the Cayman Farm and I have made it perfectly clear that what the Turtle Centre contributes to our tourism product is unmeasurable, just as with Cayman Airways, but is still has to be efficient because, as with any other Government funds, there are competing priorities and there cannot be a situation where we see incentives being paid.

On top of that 37.5 per cent increase, people are getting incentive pay again? That is not happening in core government. There are busting record numbers coming through Department of Tourism in terms of arrival, and there is no incentive for them. They are the ones who are bringing people here. This is really what we want—a change in culture—and Turtle Centre needs to be dealt with at this point.

Mr. Chairman, that is it for me today; thanks.

The Chairman: I just want to back up a little again to this Deloitte consultancy. Can either of you recall who made the recommendation to bring in Deloitte as a consultancy to regrade positions? Did that come from the CEO too?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, I cannot recall that. It is too long.

The Chairman: I will ask the Clerk to write to the CEO and ask for a copy of the Request for Bid (RFB) but getting back to governance, I think it is very important if this was a decision of the board based on a proposal from the CEO, or a decision taken by the CEO and then the board went along, because it seems like the CEO is running the board.

Based on the evidence, the top management of the Turtle Farm is basically getting the board to do whatever it wants to do and, instead of the board exercising what we hope it was put there for—proper governance, proper oversight—the board seems to be rubber-stamping much of what he wants done and we think that is just wrong.

We have asked for the minutes of all of these minutes in 2019. It is going to be interesting to see who is making proposals and what kind of governance and overview and what standards are being applied at these meetings that are recorded in the minutes for this decision-making process. I find it really troubling that we have a representative from the Ministry of Finance, a representative from the Ministry responsible for the board and somehow these things are happening where the CEO does not recuse himself from a

board; and this is just basic, basic, basic . . . I do not want to use the word—

[Inaudible interjections]

The Chairman: Yeah, but it also seems to be a culture of corruptibility.

Corruption is not only confined to getting money; when we allow what seems to happen here with this mistake of faces, it seems that everybody has now been corrupted by the process and we are looking for a way to just cover it up; because without these hearings and us having extracted this information, none of this would have come to light.

[Inaudible interjections]

The Chairman: From a governance point of view, I am on record in this honourable House saying that it is not good governance for the Financial Secretary, the Ministry of Finance, and the Ministry responsible for these boards to have non-voting people on the board because, instead of having properly documented—which is why I asked you the questions earlier—instructions, response to instructions, proper consultation which is recorded, you go in there and because you do not have a vote you really have no authority.

[Inaudible interjections]

The Chairman: You are outvoted, [like] in this case where you had your representative advising that this thing should get Cabinet approval, and he is outvoted by the board and they do not seek capital approval; and because you are not in a position to take that supervising, unconnected view, you are part of the process.

One of the things that I think the government has to understand somewhere along the line in terms of governance, is that it has to be better to not allow these boards to—I guess the word my grandmother used to use—*corn-swabble* the ex officio members I think they are called, on these boards; because of the fact that you cannot change the decision, you become a part of the decision.

As the Chief Officer, how can you now, having been a part of all of this, exercise any review or disciplinary authority over what has happened? By virtue of being there, you are directly a part of the process.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Thank you for the comments. Again, we go there in compliance with the Public Authorities Law that was passed here.

The Chairman: Well, you know that was one of the amendments to the Law that I filed.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): We always state, I know I do when I go to other board meetings; because I did not give the explanation—boy, I am grateful that you allowed Mr. Powell to come today—but I have eight boards.

I go to some and he goes to some; we are going to switch now but that is beside the point, but other civil servants and I do state in board meetings that *this is our advice*. I am not saying that the boards do not take it; I am just saying that we always state *this is our advice*, but we do not have a vote as per the Public Authorities Law.

Mr. Christopher Saunders: Mr. Chairman, I think it is important for all these government boards to know that the ultimate shareholder of these entities is the Cayman Islands Government and the Cayman Islands people and the Chief Officers and their representatives in the Ministries are people with long, distinguished careers. They know the law; they understand the law versus the “political appointees” who “pass through”.

The civil service in our Westminster system of democracy is the group that is tasked with the carrying on of government where, from administration to administration change, the continuity of knowledge resides within the public and civil service. A government can change next year, a new board is appointed, that knowledge of what happened in the past remains with the civil servants and those who sit on those boards as ex officio members to help new people coming on.

I think there is a lot of value in what the civil service brings to these boards as ex officio members and I completely agree with you that ultimately, they need to be having a little bit more sway because at the end of the day, it still involves people’s money; the minute you see something happening in a board that you know could not happen in central government, that in itself is a red flag and that is the reason why they are there.

What I would say to every ex-officio member that sits on these boards is that the principle of democracy requires that there is at least even a minority report that comes out of any committee. We sit here as a Committee and I can tell you, if there is one of us who agree with the majority is, we have the option of writing a report to basically say we want this to be filed because we didn’t have a different view.

I think the same needs to be reflected in the minutes of these meetings, where at a minimum, when you do advise something you say, *I want that minuted* so at least people are aware that this advice

was given and someone actually overrode that decision.

The role that you all play on these government boards is essential and is the only continuation of government that we have in this country, so it is not something to be taken lightly at all. I just needed to say that.

Thanks.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chairman to the member. I can assure you, sir—you know us—we do not take it lightly, but we play the role according to law.

Mr. Chairman, we talked in the first instance about why it did not go to Cabinet; again, it was not a cost-of-living adjustment—that is why that happened. Mr. Powell gave his advice but upon reflecting on what the law said, that is why we did not go to Cabinet, because it was not a cost-of-living adjustment specifically.

The Chairman: And the legal advice that the Board got from Cabinet confirmed that it did not need to go to Cabinet because it was not a cost-of-living advice?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): No, sir. We sought legal advice on what to do with the—

The Chairman: Mistake?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Yes, sir; but we did not seek legal advice on that. It was not a cost-of-living adjustment because again, it was not the CPI that was used.

Mr. Christopher Saunders: Just so we understand, if any public authority or government-owned company goes out and gives an increase to every single employee, if it is not a cost-of-living adjustment and you do 12 in one month, 15 in the next month then 10 in the next month, where everyone gets an increase, are we basically saying that those increases do not have to Cabinet at all because of the way the law is written?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Through you, Mr. Chairman, I guess the particular SAGC would have to justify themselves how they interpret the law. How are

they doing it, based on what, what is causing them to provide the increase, because the law specifically says cost of living adjustment.

Mr. Christopher Saunders: The reason I raise this issue is that it is fine in Turtle Centre, because when they need money they have to come to Cabinet and at some point, Cabinet will sit down and basically say to them, *well, what happened to this, this, this, this*, before they would approve any money going to them.

I am not worried about those SAGCs that are losing money; I am worried about those SAGCs that are making money, listening to this testimony today and believe that once it is an increase that is not related to a cost-of-living, that they can basically go out and raise salaries, as long as they do not call it cost of living adjustment and basically find a loophole through the law, because if that is principle now—

The Chairman: No, that is not what the law says. I know that is what they are interpreting to be, but that is not what the law says.

Mr. Christopher Saunders: That is why I want to make sure.

The Chairman: Here is what the law says, and I agree with you that we need to make sure this is clarified, because we know of at least one other public authority that did the same thing—regraded just before section 47 was coming into effect—so that the comparison was a higher number, but section 48 of the law says:

- (1) A public authority shall not award cost of living adjustments for staff of a public authority unless permitted to do so by the Cabinet.**

But the law does not stop there; the law says:

- (2) Subsection (1)—which is the cost of living adjustment—does not apply to individual salary changes.**

The reason that is there is because civil servants have a salary scale and they may get an increment based on performance, but that is an individual. Section 48(2) is what the CEO and the COO told us yesterday was the reason they did not have to go to Cabinet, because it was an individual salary change. That is how they interpreted it because they were only giving each person.

The fact that it was a scheme that was awarded based on a point system for length of service—that is what we thought, right? They said that, because everybody did not get, and I have to wonder if the fact that the other 70-odd people did not get,

was so that they could hang it on this one, why they were giving it to themselves, because you cannot give 24 people a salary increase based on a scheme and say it is an individual salary increase.

It is not an individual salary increase; 24 individuals got the salary increase based on a scheme that provided salary increases for everybody, supposed to have been, right? [Subsection] 3 goes on to say:

- (3) Any cost of living adjustment made by a public authority shall be calculated by the Economics and Statistics Office.**

Getting back now to Mr. Chris' concerns about these bonus payments, [subsection] 4 also says,

- (4) A public authority shall not introduce a bonus or performance payment scheme for staff of the public authority unless the public authority is permitted to do so by the Cabinet.**

The question is: That hundred and—

Mr. Christopher Saunders:—\$181,000.

The Chairman: The \$181,000 bonus scheme, can you find out and give us the evidence that that was approved by Cabinet, because 48 came into effect in 2017. It is only 47 that did not come in until 2019.

Obviously they told you that they did not expect it to go to Cabinet because it was not a cost of living increase, but that is not the justification they gave to this Committee. The evidence they provided to this Committee is that they did not believe it needed to go to Cabinet because they were granting it under [subsection] 2, was an individual.

Then we pointed out that we did not think that was the correct interpretation; as the Chief Officer responsible for the governance of this board, you need to get the board to get some understanding of section 48.

Mr. Stran Boddan, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Yes, sir. [I give that undertaking.](#)

The Chairman: Okay.

Mr. Christopher Saunders: Mr. Chairman, just a bit of housekeeping on the set of financials and this is more directed to the Auditor General's Office.

Looking at the Income Statement, in general the notes on the Profit and Loss (P&L) are far too

broad; in other words, there are not enough notes. For example, revenues there is no note breaking down for that; cost of sale, no note. I mean, these are substantial expenses.

I know some of it is actually broken down in the annual report, but the Financial Statements stand alone and need to be far more detailed. You cannot have \$13 million worth of expenses and literally no notes to justify to the reader of these stand-alone financial statements. This is something that needs to be fixed and if it is in other departments, fix it too.

Thanks.

Mr. Perry Powell, Deputy Chief Officer, Ministry of District Administration, Tourism and Transport: Through you, Mr. Chairman, yes that is noted. [I will make those amendments for 2020.](#)

The Chairman: Yes?

Mr. Bernie A. Bush: Mr. Chair, through you to the Chief Officer.

How many years of experience do you have being a Chief Officer in charge of these authorities; how many authorities have you overseen?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Mr. Chairman, through you.

I started as Chief Officer in the Ministry of Tourism on February 1st, 2012.

We have six SAGCs and two boards within this Ministry: the Public Transport board, which does not necessarily have an entity underneath it; Public Transport Unit works with it but it is not an entity, it governs as a regulatory board for granting licenses. By virtue of my office, that role is appointed to the Public Lands Commission so with the six and those two, eight, sir.

Mr. Bernie A. Bush: Thank you. It is quite a bit of experience.

In all your years of experience have you ever heard of anyone taking government money to make payments for someone that they hired or are hiring to pay for their permanent residence?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Through you Mr. Chairman, yes sir; I do recall other instances.

Mr. Bernie A. Bush: Really?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport

and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): If memory serves me, it has been done other times.

Mr. Bernie A. Bush: We are taking our money to pay for someone to get PR? Okay.

Thank you very much.

The Chairman: Section 56(4) of the Public Authorities Law, and part of what we expect to monitor governance, says:

(4) **The Government's Internal Audit Unit and the Human Resources Audit Unit Service shall regularly monitor the compliance of a public authority with this Law and all laws which relate to the public authority; and those Units shall carry out special investigations of public authorities in such circumstances and in accordance with such procedures as may be prescribed.**

Was any consideration given to that section of the Bill when Deloitte was hired for this restructuring, that Deloitte was required to have some interaction with the Portfolio of the Civil Service?

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Not that I recall, Mr. Chairman, given that is a number of years ago now.

The Chairman: Okay.

Well, we are going to request the RFP for the consultancy so that should detail because this Public Authorities Law was not one of the laws that the government brought in in secret; this was widely debated and consulted in the service, so you would hope that these boards would have been aware that there was going to be an adjustment.

I hope that the RFP has in it some requirement for the consulting firm to look to the Portfolio of the Civil Service for some guidance so that we do not have these kinds of run-away 14 per cent and 20 per cent increases in salaries through an excuse of restructuring; any other questions?

Mr. Christopher Saunders: Mr. Chairman, as we said to all the previous witnesses, looking back at the overall value that the Turtle Centre has to the Cayman Islands tourist product, I think it is fair enough to say that every single Member in this House shares that view.

I also think that the work that your Ministry and your team has done, Mr. Powell and you, and the knowledge that you bring to these boards, I am hoping

those who are listening and following accept that the ex-officio members are there and serve a very valuable purpose as oppose to just being pure political appointees.

I just want everyone to understand that we are all in the same page, we all want the same thing and ultimately, I would love to see that \$4 million dropped to zero, but we know that that is not going to be realistic anytime soon. Nonetheless, I do not want the public to think that because it is losing money, it does not serve purpose. Same as with Cayman Airways, these entities are economic accelerators and they are a bigger part of our overall tourism product and a big part of our Gross Domestic Product (GDP), which is basically almost over \$1 billion worth of overall business to the country so these are a small part to protect a billion-dollar industry, in terms of our tourism product.

I do not want anyone walking off thinking or feeling that because of these hearings something is wrong with the Turtle Farm. Like with any governance spending the public's money, we have a responsibility to look at it and see how we can make it more efficient but in terms of the commitment to the Turtle Farm that remains and I think we are all on board with that.

I really want to thank the Chief Officer and his team for the work that they are doing not just with the Turtle Centre but also with the other areas across government. That is it, Mr. Chairman.

Thank you.

The Chairman: As Chairman of the Committee I also want to thank you all for participating so openly and honestly.

Again, we are trying to shift away from a “gotcha”, confrontation-type thing. None of this is meant personally for you. We are charged and concerned with making sure that the governance is put in place. Although we have to ask you the questions, you just happen to be the person that is sitting in that position at the correct time, but these are questions that relate to the functionality, the governance and the control to help us ensure that the people are getting value for money and when we see these kinds of things happening...

We all support the Turtle Farm, nobody like turtle meat any better than me, if I do not get that on a Friday, I have serious withdrawal symptoms for the whole weekend, right?

Mr. Christopher S. Saunders: That is true.

The Chairman: However, in all of that, we still want to know that it is done as efficiently and effectively and when we see these schemes—or mistakes, to use their words—happen, our ears stick up and we have to be concerned. It is all in the interest of getting the biggest and most effective bang for the buck.

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): Thank you, Mr. Chairman and the rest of the members for their questions and comments this afternoon. We appreciate the open dialogue we can have here.

We always have a good working relationship with the Office of the Auditor General; we work with them quite well, and we ask them to bring to the table not only how our financial statements were structured and how we did for the year, but tangible things that we can always improve efficiency and effectiveness throughout the Ministry every year.

I just want to say that they are a pleasure to work with and we look forward to our next invitation to Public Accounts Committee.

[Laughter]

The Chairman: The last time you came here you got a certificate, so.

[Laughter]

Mr. Stran Bodden, Chief Officer, Ministry of District Administration, Tourism and Transport and Ex-Officio Director, Cayman Turtle Conservation and Education Centre (CTCEC): What a coincidence.

The Chairman: We try our best. We are not going to pull any punches in terms of getting to the bottom of some of this stuff, but we believe that the people who perform well should be so rewarded.

Equally so, when you get this kind of thing happening, we have to see evidence that there are consequences and it does not appear at this stage, that there are going to be any consequences here and that is troubling, because it is going to be interesting to see what the committee decides as a recommendation to Government and what the Government Minute is going to be.

We will be looking for some consequences for this kind of action, because when CEOs are allowed to attend board meetings and advocate for their own benefit and not recuse themselves, which is the first step in any kind of ethics adjustment, we really hope and trust that something is going to be done about that.

I thank you all very much.

The Committee is adjourned sine die.

At 3:30pm the Public Accounts Committee stood adjourned sine die.