



**Consultation
on our Performance
Audit Programme**

July 2011



Our independent work
promotes good governance,
transparency and
accountability in the use
of public funds

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INTRODUCTION

Under the constitution and the PMFL the Auditor General has the power and the duty to report the results of his work to the Legislative Assembly, and through this make the results of his work public. The Auditor General meets these obligations through:

- General Report each year on the outcomes from the OAG's audit work, with as necessary progress updates during the year.
- Special reports issued throughout the year on performance audit work instigated by his office or at the request of the Legislative Assembly.

With respect to special reports these are reports are generally focused on value for money - economy, efficiency, effectiveness - and on governance and accountability. The Office of the Auditor General will carry out audits and deliver special reports through two mechanisms

- Performance audits based on a planned and published programme of work, covering efficiency, effectiveness, economy, governance and accountability.
- Public interest audits focused on issues that are identified or investigations that are requested during the year, and which in the public interest, should be reported to the Legislative Assembly in as short a time frame as possible. In general these are reactive, will cover single issues at an individual entity, and to an extent will draw from issues identified through our audit of the financial statements.

WHAT ISSUES DO YOU THINK WE SHOULD LOOK INTO

We are currently consulting on our planned programme of performance audits which we intend to deliver and publish over the next 18 months, and topics on which we plan to keep a watching brief and may audit in the future. Your views will help us ensure our work is broad and balanced, and focuses on where we can have most impact. Our focus continues to be on value for money - economy, efficiency, effectiveness - and on governance and accountability.

The programme below was developed for discussion purposes through initial consultation with key stakeholders, including senior management within the Cayman Islands Government. In terms of timing this is based on our preliminary ranking of significance and risk.

Our planned programme will be subject to ongoing consultation with senior managers in the Government and with the Public Accounts Committee, and will be amended from time to time to reflect up to date information and assessment by the Office of the Auditor General. For instance the programme is subject to change depending on the availability of audit resources, the significance of new

topics or issues that arise from time to time and become a priority (including public interest audits), and the ongoing impact of the backlog of financial statements.

For information the Office of the Auditor General plans to consider and review significant procurements on an ongoing basis, reporting our findings as and when appropriate. The Office is also in the process of completing the following performance audits:

- Management of Overseas Medical Expenses – expected publication September 2011
- How Government Deals with Fraud – expected publication October 2011

If there are other issues or areas that you think we should look into, do let us know. Please send us your feedback by **31 August 2011** either by emailing auditorgeneral@oag.gov.ky or writing to

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PROPOSED PERFORMANCE AUDIT PROGRAMME FOR THE NEXT 18 MONTHS

Audit Topic	Brief Description	Proposed Publication
Major Capital Projects Part 1	We will examine how the Government manages major capital projects (including the procurement and financing) and whether due consideration is given to achieving value for money. This audit will examine specifically the two high schools and the Government Administration Building.	Jan 2012
Governance Overview	This audit will consider the overall governance arrangements in place across the public sector. Specifically it will consider how the public sector sets out its purpose and the expected outcomes for citizens and service users, how it is organized with clearly defined functions and roles, and how it makes decisions which are informed, transparent and manage risk.	Early 2012
Executive Transactions and Transfer Payments	This audit will examine the governance and management arrangements put in place to effectively and transparently assess, award and manage transfer payments (to organizations and individuals) and executive transactions.	Mid-2012
Human Resource Management	This audit will examine the arrangements the Government has in place to manage its human capital efficiently, economically and effectively in line with the requirement of the Public Service Management Law.	Mid-2012
Governance – Standards of Behavior	This audit will examine the arrangements across the public sector to the promote ethical leadership and values, and demonstrate good governance through behavior.	Late 2012
Government revenues (including fees, customs and duties)	The audit will examine the arrangements in place to determine, manage and collect Government revenues transparently, efficiently, effectively and economically.	Late 2012
Information technology investments	We will examine information technology governance and investments, and whether due consideration is given to achieving value for money.	Early 2013
Allowances, hospitality and Travel	The audit will examine the arrangements in place to determine, manage and report allowances, hospitality and travel across the public sector.	Early 2013

We also plan to follow up a number of our previous performance audits to examine whether the issues identified, the recommendations made or the lessons learned have been addressed. The performance audits that we propose to follow up and report on in the next 18 months are:

- Review of the Legal Aid Program;
- Review of the Expenditures for Operations Tempura and Cealt;
- Internal Audit’s Report on Fuel Card Usage and Management; and
- The Scrap Metal Tender and Contract with Matrix International Inc.

AREAS THAT WE WILL CONTINUE TO MONITOR AND MAY AUDIT IN 2013 AND BEYOND

Audit Topic	Brief Description
Financial management, budgeting and the sustainability of the public finances	The audit will use a financial management capability maturity model to examine how well the financial management arrangements within the Cayman Islands Government are developed. It will also consider the sustainability of the public finances.
Major Capital Projects Part 2	We will examine how the Government has managed major capital projects (including the procurement and financing) and whether due consideration was given to achieving value for money. This could include the completion phase of the high schools, the cruise ship pier, the primary schools, the hurricane shelter on Cayman Brac or any other major capital projects.
Governance - Accountability Reporting and Stakeholder Engagement	The audit will examine whether accountability reporting across the public sector is in line with what is considered good practice internationally, promotes accountability and transparency, and meets the needs of the Legislative Assembly and citizens.
Public Debt Management	The audit will examine how the Cayman Islands Government manages public debt to ensure that it obtains value for money and meets the requirements of the Public Management and Finance Law.
Environmental and Sustainable Development	The audit will examine how the Cayman Islands Government considers environmental impact in its decision making and policy development in order to promote sustainable development.
District Administration	We will review the governance and management arrangements in place to manage and deliver services for the sister islands efficiently, effectively and economically.

Audit Topic	Brief Description
Cayman Airways	The audit will examine the arrangement in place to govern and manage the performance and operations of Cayman Airways efficiently, effectively and economically, and in a manner which is accountable and transparent
Public Service Pension Board	The audit will examine the arrangement in place to govern and manage the performance and operations of the Public Service Pension Board efficiently, effectively and economically, and in a manner which is accountable and transparent.
Cayman Islands Development Bank	The audit will examine the arrangement in place to govern and manage the performance and operations of the Cayman Islands Development Bank efficiently, effectively and economically, and in a manner which is accountable and transparent.
National Roads Authority	The audit will examine the arrangement in place to govern and manage the performance and operations of the National Roads Authority efficiently, effectively and economically, and in a manner which is accountable and transparent.
Health Services Authority	The audit will examine the arrangement in place to govern and manage the performance and operations of the Health Services Authority efficiently, effectively and economically, and in a manner which is accountable and transparent.
CINICO	The audit will examine the arrangement in place to govern and manage the performance and operations of CINICO efficiently, effectively and economically, and in a manner which is accountable and transparent.
Cayman Turtle Farm	The audit will examine the arrangement in place to govern and manage the performance and operations of the Cayman Turtle Farm efficiently, effectively and economically, and in a manner which is accountable and transparent.
Procurement (Follow –up)	Follow up on how the Cayman Islands Government has addressed the recommendations from our report on the Management of Government Procurement published in July 2011.
Major Capital Projects (Follow-up)	Follow up on how the Cayman Islands Government has addressed the findings from our reports on the Major Capital Projects.

Contact us

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Complaints

To make a complaint about one of the organisations we audit or about the OAG itself, please contact Garnet Harrison at our address, telephone or fax number or alternatively email: garnet.harrison@oag.gov.ky

Freedom of Information

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

Media enquiries

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



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