

6 June 2019

PRESS RELEASE

More needs to be done to strengthen approaches for collecting government revenues and protecting the borders

The report "*Customs in the Cayman Islands*," issued by the Office of the Auditor General (OAG) today reviewed how efficient and effective Cayman Islands Customs was at collecting revenue and protecting the border.

The report specifically looked at whether Customs operations were supported by sound legislation and strategic direction; how efficient and effective Customs is at collecting revenue and facilitating trade; how efficient and effective Customs is at protecting the border; and how well Customs plans and manages its workforce.

"Customs makes a significant contribution to the Cayman Islands economy by collecting duties on imported and exported goods and also plays a important role in protecting our borders" says Ms. Winspear. "Despite this important role Customs did not have a clear strategic plan, setting out its vision and objectives; nor did it have a workforce plan or performance management framework to support effective management of the business. It is important that the new organisation, Customs and Border Control, develops these strategic documents as soon as possible to ensure its effectiveness."

The report states that Customs was in the process of changing the way that it protected the borders, moving to a more risk-based and intelligence-led approach.

The Auditor General adds. "It is encouraging that Customs has started to change the way it protects the borders by using a more intelligence-led and risk-focused approach. However, more needs to be done to embed the new approach."

The report also highlights that little progress has been made in implementing previous Auditor General recommendations to improve the policies and procedures for awarding revenue concessions or waivers; and the Cayman Islands Government does not know how much revenue has been given up as a result.

"It is disappointing that there has been very little progress made to improve the process for revenue concessions," Ms. Winspear explains. "More than three years after making recommendations there is still no revenue concessions policy nor is there any systematic monitoring of the revenue concessions awarded and so it is not known how much money has been foregone or whether the things promised in return for the concession awarded have been being delivered."

More information about the report can be obtained by contacting Sue Winspear at (345) 244-3201 or Angela Cullen, Director of Performance Audit at (345) 244-3220.

This report and the original OAG reports on which this report is based are available at www.auditorgeneral.gov.ky.

Notes to the editor:

1. The audit was carried out during 2018 before the creation of Customs and Border Control on 1 February 2019. It therefore reports on operations that were in place in the Customs Department at that time.
2. At the time of the audit, the Customs Department was part of the Ministry of Finance and Economic Development. On 1 February 2019, Customs and Border Control moved to the Ministry of Human Resources and Immigration (which has since been renamed as the Ministry of Employment and Border Control).
3. Revenue concessions are overseen by the Minister of Finance and the Ministry of Finance and Economic Development.