Appendix D

THE GOVERNMENT MINUTE

The Government's Response to the Report of
The Standing Public Accounts Committee (PAC)
On the Report of the Auditor General entitled:

Follow-Up on Past PAC Recommendations 2023 – Report 1 (March 2023)

February, 2024

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1. BACKGROUND

Section 77(7) of the Legislative Assembly Standing Orders (2018 Revision) states that the Government Minute shall be laid on the Table of the House within three months of the laying of the report of the Standing Public Accounts Committee ("the Committee") and of the report of the Auditor General to which it relates.

This Government Minute constitutes the Government's response to the Report of the Standing Public Accounts Committee tabled in the House of Parliament on Friday 15th December, 2023 on the following Report prepared by the Auditor General:

- **Follow-Up on Past PAC Recommendations 2023 – Report 1 (March 2023)**

The Government Minute lists any additional PAC recommendations made in relation to the Auditor General's report, together with Management Responses submitted by the relevant Government Ministry/Portfolio to which each recommendation relates.

2. MANAGEMENT RESPONSES TO PAC RECOMMENDATIONS

In its report, the Public Accounts Committee (PAC) endorsed and supported the recommendations of the Office of the Auditor General ("OAG") and made additional recommendations.

The Management Responses to the PAC recommendations are provided below.

PAC Recommendation a Responsibility: Deputy Governor

The Committee heard from witness testimony that one of the primary causes for delays in the timely Tabling of Government Minutes is due to the length of time it takes to prepare the Chief Officer's response and have it reviewed and approved by the Cabinet. The Committee suggests that Government Minutes are sent to the Deputy Governor for approval to Table in Parliament, rather than to Cabinet.

Management Response:
The Office of the Deputy Governor is due to make a presentation to Caucus on the Government Minutes that have been submitted for review. The matter will be raised for discussion at that time.

PAC Recommendation b Responsibility: Parliament Management Commission

The Committee heard from witness testimony that one of the causes for lengthy delays in the Tabling of Annual Reports and Financial Statements is due to the Parliament not Sitting for many months at a time. In consideration of the Auditor General's recommendation No. 15 on page 35 of the Report and the Financial Secretary's testimony, the Committee recommends that the Council of the Parliament Management Commission discuss establishing regular Meetings of the

House throughout the year in order for the timely Tabling of Annual Reports and Financial Statements, and that the Council inform the Committee of its decision by 31st December 2023.

Management Response:
This recommendation is to be considered by the Parliament Management Commission.

PAC Recommendation c Responsibility: Financial Secretary

The Committee expects that the Ministry of Finance and Economic Development will adhere to the deadline of having an outcomes-based budgeting framework implemented by Q3 2025 in order to include this in the 2026-2028 budget period.

Management Response:
The Ministry of Finance had some delays with issuing the RFP due to the extraordinary budget preparation process experienced between July and December 2024; however, the RFP was issued 15 January 2024 (yesterday) with the following timeline (for the RFP):

Issue Date of RFP	Monday, 15 January 2024
Pre-Bid / Site Meeting	N/A
Deadline for Questions	Monday, 29 January 2024 @ 5:00 p.m. EST (GMT-5)
Deadline for Issuing Addenda	Monday, 5 February 2024 @ 5:00 p.m. EST (GMT-5)
Submission Deadline	Monday, 12 February 2024 @ 5:00 p.m. EST
Rectification Period	3 business days
Anticipated Ranking of Bidders	Tuesday, 20 February 2024
Contract Negotiation Period	4 weeks
Anticipated Execution of Agreement	Tuesday, 2 April 2024

The Ministry of Finance still plans to comply with the above timeline for implementation by Q3 2025.

PAC Recommendation d Responsibility: Financial Secretary

The Committee was pleased to hear the witness testimony confirming that the Ministry of Finance and Economic Development has made progress implementing, or starting to implement, several of the recommendations made in the Auditor General's Report, and expects to see continued progress in the implementation of the Auditor General's recommendations in a future Report.

Management Response:
The Ministry continues to progress recommendations.

PAC Recommendation e Responsibility: Financial Secretary

The Committee heard witness testimony that the information provided by the Risk Management

Framework tool should ideally be shared with the Cabinet in the monthly Cabinet reports prepared by the Ministry of Finance and Economic Development. The Committee agrees and urges the Ministry to include this information each month for the Cabinet's awareness and consideration.

Management Response:
The Ministry is working with the developer of the Risk Management Tool to enable these reports to be generated more timely to allow for the inclusion in Cabinet reports.

PAC Recommendation f Responsibility: Financial Secretary

The Committee reiterates its recommendation made in its previous report on the Auditor General's report titled "Financial Reporting of the Cayman Islands Government – General Report 31 December 2021 (Oct 2022)", namely, that the Ministry of Finance and Economic Development makes a detailed assessment of the cost of implementing Section 47 of the Public Authorities Act to include non-monetary benefits (such as pensions and health insurance) for SAGCs and include this in the Government's budget for 2024-2025.

Management Response:
As the 2024-2025 Budget preparation has already concluded, this exercise will need to be completed and, if necessary, funded by way of a supplemental budget.