



Statement on findings of the OAG Report on the Dubai World Expo and the Cayman Islands Overseas Offices

Grand Cayman, 03 May 2022 – The Deputy Governor the Hon. Franz Manderson has concluded his internal investigation resulting from the Office of the Auditor General (OAG) report entitled “The Dubai World Expo and The Cayman Islands Overseas Offices – Examination of Potential Breaches to Legislation”, which was unfortunately leaked before the internal investigation had concluded.

For background, In July 2021, the Governor the Hon. Martyn Roper and the Deputy Governor were asked to commission an independent review into the decisions taken around Cayman’s participation in the Dubai World Expo, as well as the opening of Cayman Islands Overseas Offices in Brussels, Hong Kong and Washington, D.C.

As a result, the OAG was tasked with establishing facts on a number of matters to support a wider review, the OAG presented its findings in November 2021. In its report, the OAG found that there had been breaches of the Cayman Islands Constitution, the Public Management and Finance Act (PMFA) and the Public Service Management Act (PSMA) by the Ministry of International Trade, Investment, Aviation and Maritime Affairs (The Ministry). The OAG also highlighted irregularities around some of the HR practices used to employ staff associated with the Dubai World Expo and Overseas Offices. Additionally, the report stated that clear guidance was lacking on how the civil service should conduct themselves in relation to the implementation of certain Government policies once an election had been called.

The Deputy Governor has now concluded an internal investigation arising from the OAG report. The internal investigation included a careful review of the OAG report, obtaining responses from the Ministry, a review of the Ministry audited financial statements, legal advice from the Attorney General’s Chambers and independent reports from Internal Audit.

The most serious finding by the OAG was that the Ministry breached section 12 of the PMFA and the Constitution by spending funds that were not appropriated by Parliament. It has been determined in the Deputy Governor's investigation, now that the 2021 financial statements for the Ministry have been completed, that sufficient funds were available to meet necessary costs associated with the Dubai World Expo and the opening of the Overseas Offices without the need for either the section 11 (5) or section 12 funding requested in January 2021. Given this, there was no breach of section 12 of the PMFA, or the Constitution.

Auditor General, Sue Winspear stated: "I agree that technically there is no breach of PMFA as the funds requested for 2021 were not actually needed after all. After the election, activities relating to the new Overseas Offices and Dubai World Expo were scaled back as a consequence of the different priorities of the new Government and so the actual costs were able to be funded from within the existing 2021 budget for that Ministry and the underspend that was carried forward from 2020. I prefaced my report by stating that I presumed the funds requested and agreed by Cabinet in January 2021 were both necessary and requested in good faith. The commitment to the additional staffing costs of course continues beyond 2021."

The OAG report raised material issues about the conduct of the Civil Service and as such it should have been treated with the highest level of confidentiality in order to allow the entire review process to conclude fairly. It was for this reason that both the Governor and Deputy Governor condemned the leak.

His Excellency The Governor Hon. Martyn Roper said the Deputy Governor has fully investigated all the issues arising from the initial OAG report, including taking into account further relevant information and advice. "I am satisfied that the Deputy Governor's investigation has been carried out comprehensively and objectively in the interests of fairness to all concerned. It is unfortunate that the press commentary after the leaking of the OAG report, and before the Deputy Governor's full investigation was complete, led to inaccurate and skewed views being aired in public. Notwithstanding the findings of the Deputy Governor's investigation, I am grateful to the OAG and

Deputy Governor for ensuring that going forward the jurisdiction has learnt important lessons for the future, especially the need for clearer policies and practices during periods of election sensitivity”, he said.

The Deputy Governor stated: “As a Civil Service, we continually look for ways to improve and therefore welcome constructive reports which provide opportunities to further develop our Civil Service policies and procedures. As a consequence of this OAG report, we have now developed a formal policy entitled “Period of Election Sensitivity”. Once approved by Cabinet this guidance will provide clear information on how Civil Servants and Ministers should conduct Government business once an Election has been called”.

(GIS)

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