

Improving employment prospects for Caymanians





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KEY FACTS



\$144 million

Government expenditure on improving employment prospects for Caymanians from 2019 to 2023.



14,000

Work permit holders employed in the tourism and construction sectors in 2022.



32%

The gap between the national basic minimum wage current rate of \$6.00 per hour and if adjusted for inflation (\$7.92).



5%

Unemployment rate for Caymanians as at Fall 2023 (1,143 people). The rate was down from 5.6 per cent in 2019.



60%

Unemployed Caymanians (686) who were educated to high school diploma level or lower as at Fall 2023.



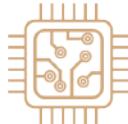
83%

Percentage of Caymanians who start WORC employment programmes and finish the courses.



10%

WORC's acceptance rate for its apprenticeship programmes.



46%

Future jobs expected to be in IT-related fields. (Only 8 per cent of Caymanians are interested in these jobs).

EXECUTIVE SUMMARY

Successive governments have consistently highlighted the importance of improving employment prospects for Caymanians. In May 2018, the Government merged the Department of Immigration and the National Workforce Development Agency to form Workforce Opportunities & Residency Cayman (WORC). One of the Government's stated aims in creating WORC was to achieve full employment for Caymanians. WORC started operating in February 2019 and is currently a department in the Ministry of Border Control, Labour and Culture (MBCL). Overall, the Government spent around \$144 million on improving employment prospects for Caymanians from 2019 to 2023. WORC spent \$5.7 million of the \$144 million.

The objective of our audit was to assess WORC's efficiency and effectiveness in improving employment prospects for Caymanians. Improving employment prospects requires a joined-up approach across the Government. Therefore, the audit also considered contributions from other public sector entities where relevant. The audit sought to answer the following questions:

- Does the Government have a clear and effective strategic direction for improving employment prospects for Caymanians?
- How effective have WORC and the Government been at removing barriers to employment and improving employment opportunities for Caymanians?
- How effective has WORC been in improving employment prospects for Caymanians?

The audit covered the Government's strategic direction and WORC's strategic direction and use of resources to improve employment prospects for Caymanians from 2019 to 2022. We used 2023 data and information where relevant. The audit did not cover the process for awarding work permits, Caymanian status and permanent residency.

KEY MESSAGES

We make ten recommendations in our report. The recommendations cover the strategic direction and legal framework for improving employment prospects for Caymanians, WORC's employment programmes, WORC's IT systems and WORC's performance. The recommendations also cover the technical and vocational education and training (TVET) framework and career guidance programme of the Ministry of Education (MoE). In our view, the most important recommendations are those on developing a national employment policy, preparing forecasts of long-term labour force demands, WORC employment programmes and MoE's TVET framework.

Strategic direction and legal framework

The Government lays out its priorities in the Strategic Policy Statement (SPS) it prepares every two years. Successive governments have committed to improving employment prospects for Caymanians in the SPS since 2018. However, it is unclear how the Government's objectives set out in SPSs were to be achieved, because they do not provide clear definitions or identify the needs that they intended to address. For example, each SPS states that achieving full employment is a Government priority without defining what this means.

The civil service is responsible for implementing government policies but has not developed an overarching strategy for improving employment prospects for Caymanians. In addition, WORC does not have a strategy. Several individual strategies and policies are in place but these could be improved. For example:

- MoE approved a TVET framework in April 2022. This is a welcome development, but the framework could be improved to better align with good practice. MoE approved a new policy for scholarships in September 2023. Under this policy, students can now access TVET scholarships for short- and medium-term courses at local, licensed TVET institutions.
- The Education Council approved a scholarship policy for administering government scholarships in 2019. Between 2019 and 2023, the Government spent about \$75 million on these scholarships. The Scholarship Secretariat administers the scholarship funding. However, there are gaps in the administration process, and some of these gaps have not been addressed since we first raised them in 2019. Means-testing for scholarship awards stopped in April 2023.
- The Government is currently reviewing the minimum wage, aiming to update *The Labour (National Minimum Basic Wage) Order, 2016*. The national basic minimum wage has not been revised for almost eight years, even though increasing it or ensuring it keeps pace with inflation has been a government priority since 2018. If the national basic minimum wage had kept pace with inflation since 2016, it would have been \$7.92 per hour as of December 2023, or 32 per cent higher than the current rate of \$6.00 per hour. In October 2023, the Minimum Wage Advisory Committee (MWAC) recommended a revised minimum wage of \$8.75 per hour, a 46 per cent increase from the current rate of \$6.00 per hour. The Cabinet has yet to implement MWAC's recommendation.

The *Immigration (Transition) Act (2022 Revision)* (the Immigration Act) sets out WORC's functions. The act is supported by the Immigration Regulations (2019 Revision) (the Immigration Regulations). The act and the regulations are robust and clearly define WORC's functions. Additional changes to the legal framework are planned. The *Cayman Islands Identification Card Act, 2022*, should make it easier for WORC to identify a person's Caymanian status while processing a work permit. The *Financial Assistance Act, 2022*, will introduce conditions for receiving financial assistance to encourage adults who can work to join the labour force. However, the Cabinet has yet to bring these acts into force.

WORC has been subject to significant changes and gaps in leadership since its creation. For example, in the first four years of its existence, WORC had four acting Directors. We were told that the numerous leadership changes contributed to a lack of consistency, stability and clarity in pursuing WORC objectives. In addition, WORC had several vacancies at the senior management level between 2019 and 2023. WORC appointed a permanent Director in March 2023.

Employment

The International Labour Organization defines full employment as an unemployment rate of between 3 and 6 per cent of the labour force. Therefore, full employment for Caymanians was consistently achieved during the audit period, except during the COVID-19 pandemic in 2020 and 2021. The unemployment rate among Caymanians has reduced from 5.6 per cent in Fall 2019 to 5.0 per cent in Fall 2023, an 11 per cent decrease. As at Fall 2023, there were 1,146 unemployed Caymanians; 350 more than in Fall 2022. The overall unemployment rate in the Cayman Islands in 2022 was significantly lower than that in selected countries in the region and globally.

Use of resources

WORC spent about \$72.2 million in the five years from 2019 to 2023. In the same period, WORC's annual expenses increased from \$12.4 million to \$16.2 million, a 31 per cent increase. WORC told us that around \$5.7 million of this expenditure was directly related to improving employment prospects for Caymanians.

The Government financed \$52.6 million, or 73 per cent, of WORC's total expenditure through output funding. WORC funded the remainder from work permit, Caymanian status and permanent residency fees. The Government's annual output funding to WORC doubled from \$6.3 million in 2019 to \$12.6 million in 2023.

WORC's employee headcount increased from 102 in February 2019, when it started operating, to 131 in December 2023, a 28 per cent increase. Personnel costs accounted for \$47.1 million, or about 65 per cent, of WORC's total expenditure from 2019 to 2023.

JobsCayman

WORC launched an online jobs portal, JobsCayman, in May 2020. All private sector and public sector employers, except the civil service, must use JobsCayman to advertise jobs. WORC has not assessed progress in achieving JobsCayman's objectives. Interviews with several stakeholders highlighted several deficiencies with JobsCayman.

MBCL undertakes IT system acquisitions and manages IT systems on WORC's behalf. JobsCayman is currently being upgraded, including the supporting platform. The upgrades are expected to cost about \$3.0 million over the four years 2023 to 2027. During 2023, WORC spent \$1.5 million on the upgrades.

We were told that MBCL considered feedback from WORC in developing the upgrade, but MBCL did not give us evidence to support this statement. MBCL did not give us the business cases for the upgrades.

Employers cannot apply for work permits without advertising job vacancies on JobsCayman. Employers and jobseekers must create profiles on JobsCayman to advertise and apply for jobs, respectively. In the three years from 2020 to 2022, about 9,200 employers and 4,800 jobseekers created profiles on JobsCayman. Over the same period, employers advertised about 41,000 jobs on the portal and jobseekers submitted almost 128,000 applications. Data from the Economics and Statistics Office shows that only 336 out of 796 unemployed Caymanians – 42 per cent – had registered with WORC to find jobs.¹ The ESO data shows that “registration with WORC” ranked third, behind “contact an employer” and “ask friends”, which were 49 per cent and 47 per cent, respectively, in steps taken by unemployed Caymanians to find a job. It is unclear why more than half of unemployed Caymanians have not registered with WORC.

The Portfolio of the Civil Service (PoCS) is responsible for recruitment in the civil service. PoCS has a separate jobs portal, careers.gov.ky, where civil service entities can advertise jobs and jobseekers can apply. Between February 2022 and December 2022, about 3,500 Caymanian applicants used PoCS’s jobs portal to submit over 13,000 applications.

Government employment programmes

WORC and other public sector entities have several programmes aimed at improving employment prospects for Caymanians. Acceptance, dropout after acceptance and completion rates vary by programme. In 2022, WORC accepted less than half of programme applicants. Almost a quarter of the accepted applicants do not attend the programmes. It is unclear why. There is a high demand for apprenticeships, and nearly all successful applicants finish them. However, WORC accepts less than 10 per cent of apprenticeship applications. WORC told us that the low acceptance rate is due to a lack of places. In addition, WORC has not set targets for placements, internships and apprenticeships.

The completion rate for WORC’s programmes between 2019 and 2022 was high, averaging at 83 per cent, but varied by programme. WORC did not have outputs and outcomes data for some programmes. WORC outsources the running of most of these programmes to private companies. WORC spent approximately \$2.2 million on outsourcing training programmes and about \$41,000 on subsidising internships and apprenticeships between 2019 and 2023.

¹ *Labour Force Survey Report Fall 2022*, Economics and Statistics Office

Between February and December 2022, the civil service recruited on average 50 interns each month via the PoCS careers portal. PoCS told us that it does not have enough internships for all interested applicants.

The Public Works Department (PWD) runs a separate construction trades apprenticeship programme offering technical training to Caymanians aged between 18 and 29. The Government spent about \$2.1 million on the programme from 2019 to 2023. The programme has a high completion rate (86 per cent), but PWD does not track how many participants find jobs or start businesses. Therefore, we could not assess the programme's effectiveness.

MoE paid Superior Auto, a private company, \$600,000 between 2019 and 2023 to run a training programme for aspiring mechanics. However, MoE does not have a purchase agreement with the company. Therefore, MoE cannot hold it accountable for providing the apprenticeships. In addition, MoE does not track outcomes for participants in the programme. Consequently, it is impossible to assess the programme's effectiveness and it is unlikely the MoE receives value for money for the funding.

Performance

The *Immigration Act* requires WORC to provide the Government and the private sector with labour market demand assessments. WORC did not carry out any assessments in its first three years of existence. From March 2022, WORC started carrying out monthly labour market assessments through monthly "Job Posting Reports". The reports provide relevant information but some data gaps limit analysis. For example, the December 2022 report states that 19,700 jobs were advertised in 2022. However, only 16,000 adverts specified the required educational level. In other words, 3,700 job adverts did not do this.

It is difficult to measure and report on WORC's performance because of incomplete data. From 2019 to May 2021, WORC did not set or monitor key performance indicators (KPIs) to assess its performance. WORC set KPIs in June 2021 but still does not regularly measure and monitor performance against them. Three of WORC's sections – Human Resources, Information Systems and Operations – have not set KPIs. The leadership roles for these sections have been vacant, which may have contributed to the lack of KPIs.

WORC has 14 KPIs directly related to improving employment prospects for Caymanians. More than half (eight) of these do not have targets; therefore, it is impossible to measure performance against them. Of the six KPIs with targets, WORC achieved only one-third (two) of them. It is unclear if WORC takes corrective action concerning performance against its KPIs. Most of the KPIs are not SMART, i.e. are not specific, measurable, achievable, relevant and time-bound. WORC's targets focus on outputs rather than outcomes. WORC's KPIs cover seven of its eight output targets directly related to improving employment prospects for Caymanians.

Barriers to and opportunities for improving employment prospects

The jobs that are in demand are changing, and there is a mismatch between what employers need and the jobs that Caymanians want. A recent study found that 46 per cent of future jobs are expected to be in IT-related fields, but only 8 per cent of Caymanians are interested in these jobs.² If Caymanians cannot fill these in-demand jobs, employers will need to fill them with work permit holders or outsource them overseas. WORC does not prepare labour forecasts considering historical trends and prospects by industry and sector over a 5- to 10-year horizon. Such long-term forecasts would provide helpful labour market information that could help to inform policy development and strategy around trending skills and careers for future employment for Caymanians.

Having a college or university degree significantly improves Caymanians' employment prospects. Almost 70 per cent of all unemployed Caymanians between 2019 and 2023 were educated to high school diploma level or lower. In 2022, 566 unemployed Caymanians were educated to high school diploma level or lower; a high school diploma was the highest educational level for 460 of these people. Data from WORC shows that, in the same year, about 9,100 jobs requiring a high school or equivalent educational level were advertised on JobsCayman. This indicates that there were enough jobs for the 460 people with a high school diploma. However, most of these jobs are low paid and may not be attractive to Caymanians. Jobs requiring a high school diploma or lower pay significantly less than those requiring an associate or bachelor's degree. About 600 jobs advertised in 2022 did not require any educational qualifications.

Educational attainment is a barrier to employment for Caymanians. Data from public schools shows that, in 2023, less than half of Year 11 students achieved the national expected attainment standard of passing five or more subjects at Level 2, including English and Mathematics. Most students in public schools are Caymanian.

MoE has career guidance programmes in place for public schools, but these could be improved. For example, the programmes do not cover TVET-related opportunities, focusing mainly on "white collar" jobs. In addition, career advice is not provided consistently to students. A career guidance policy would ensure that schools provide students with consistent and comprehensive guidance about career options, but MoE has not developed one.

The minimum wage may be a barrier to employment. We were told that the current minimum wage discourages Caymanians from seeking employment in some industries, for example tourism. We could not find data to prove or disprove this assertion. The tourism sector accounted for more than half of the minimum wage jobs advertised between January 2020 and March 2023. Based on data from the Economics and Statistics Office, three sectors – tourism, wholesale and retail (including vehicle and

² *Cayman Islands (CI) Labour Market Assessment*, University College of the Cayman Islands, July 2023.

motorcycle repair), and construction – employed the highest number of non-Caymanians in 2022 – about 14,000 people. These three sectors are also of most interest to unemployed Caymanians – almost half were interested in them in 2022. It is unclear why these Caymanians could not find jobs in these sectors.

Several stakeholders told us that some job adverts include unnecessary qualification and experience requirements that may discourage Caymanian applicants. WORC reviews and approves all adverts posted on JobsCayman but cannot legally reject them. Therefore, employers can legally get work permits for jobs that were advertised with unreasonable expectations in terms of qualifications and skills because Caymanians did not apply.

There is limited data on the impact of social barriers to employment for Caymanians. Examples of such barriers include a lack of affordable childcare for single mothers and having a learning disability, a criminal conviction, mental health issues or a drug abuse problem. WORC has taken steps to address some of these barriers, but more could be done.

Improving employment prospects for Caymanians requires a holistic approach, and WORC cannot do it alone. Therefore, many public and private sector bodies are involved. WORC collaborates with several stakeholders to improve employment prospects for Caymanians. However, this collaboration could be improved, and there are areas for further cooperation. A national employment policy would help address this.

INTRODUCTION

IMPROVING EMPLOYMENT PROSPECTS FOR CAYMANIANS IS A GOVERNMENT PRIORITY

1. Successive governments have consistently highlighted the importance of improving employment prospects for Caymanians. The Government lays out its priorities in the Strategic Policy Statement (SPS) it prepares every two years.³ Successive governments have committed to enhancing job opportunities for Caymanians in the SPSs since 2018. For example:

- The SPSs covering the 2018–19 and 2020–21 financial years included the similar Broad Outcome of achieving full employment for Caymanians.
- The 2022–2023 SPS included the Specific Outcome of creating more employment opportunities for Caymanians. It also included a second Specific Outcome on enhancing job opportunities for Caymanians through a data-driven and robust compliance approach.
- The 2024–2025 SPS changed the focus from full employment and improving employment prospects to increasing social justice in the workforce.

WORC WAS CREATED IN 2018 AND STARTED OPERATING IN 2019

2. In May 2018, the Government announced a merger of the Department of Immigration and the National Workforce Development Agency to form Workforce Opportunities & Residency Cayman (WORC). One of the Government’s stated aims in creating WORC was to achieve full Caymanian employment. WORC started operating in February 2019 and is currently a department within the Ministry of Border Control, Labour and Culture (MBCL).
3. The Government created WORC under the *Immigration (Transition) Act 2018*. This act has been updated several times since. Its latest version is the *Immigration (Transition) Act (2022 Revision)* (the Immigration Act). According to the Immigration Act, WORC’s functions are to:
- Provide the Government and private sector with labour market demand assessments.
 - Train and develop Caymanians and prescribed people for the workforce.
 - Provide a job matching and placement service for Caymanians seeking jobs.
 - Process applications for work permits and applications and grants for Caymanian status, permanent residence and other types of residence.⁴

³ In the SPS, Broad Outcomes are the overall objectives to guide the development and implementation of Government policy. Specific Outcomes are the specific actions aimed at achieving the Broad Outcomes.

⁴ As stated in the **About the audit** section of this chapter, the audit did not cover the process for awarding work permits, Caymanian status and permanent residency.

- Carry out such other functions under the Act or any other written law.

4. Exhibit 1 shows WORC's purpose, vision and mission.

Exhibit 1: WORC's purpose, vision and mission

Purpose	To drive social and economic prosperity for Caymanians and the Cayman Islands through extraordinary service and respect.
Vision	Leading the pursuit of full Caymanian employment and economic prosperity for all through service excellence.
Mission	<p>To maximise human capital, strengthening the economy and global competitiveness of the Cayman Islands by:</p> <ul style="list-style-type: none"> • Engaging and equipping its employees with the development and tools needed to deliver high quality customer centric service. • Providing effective career support for Caymanians. • Collaborating with the business community. • Utilising information and technology to inform current and future employment needs. • Fairly and transparently processing applications for work permits, residency, and the right to be Caymanian.

Source: WORC's website.

5. A Director responsible for overall management and supervision heads WORC. The Director is supported by a Head of Finance and three Deputy Directors in charge of Labour Needs and Supply, Compliance and Operations. As at December 2023, WORC had 131 employees.
6. It has been five years since WORC started operating in February 2019. Since then, the unemployment rate among Caymanians has reduced from 3.5 per cent in Fall 2019 to 3.3 per cent in Fall 2023. According to the International Labour Organisation this equates to full employment. However, we cannot attribute the decrease to WORC because we do not have data to support it. We discuss the unemployment statistics in more detail in the **Performance and use of resources** chapter of this report. WORC spent about \$72.2 million between 2019 and 2023. Over the same period, WORC's employee headcount increased from 102 in February 2019, when it started operating, to 131 as at December 2023, a 28 per cent increase. We discuss the Government's expenditure on WORC in more detail in the same chapter.

WORC HAS SEVERAL PROGRAMMES AIMED AT IMPROVING EMPLOYMENT PROSPECTS FOR CAYMANIANS

7. WORC and the civil service have several programmes aimed at improving employment prospects for Caymanians. Exhibit 2 provides an overview of these. We cover the effectiveness of these training programmes in the **Performance and use of resources** chapter of this report. In addition, Appendix 3 shows outputs data for these programmes between 2019 and 2022.

Exhibit 2: Overview of current government programmes aimed at improving employment prospects for Caymanians

Programme	Programme overview
Passport2Success	The programme aims to train young Caymanians to help them succeed in the workplace by improving skills, gaining work experience and finding employment.
National Internship Programme	The programme aims to enable interns to gain experience and make connections in professional fields. It also seeks to enable employers to guide and evaluate talent during their internship.
National Apprenticeship Programme	The programme aims to develop local capacity to meet future anticipated workforce requirements. It provides opportunities for participants to gain practical experience and develop their skills and competencies in various occupations.
Ready2Work KY	Through this programme, employers can identify unemployed Caymanians who they believe have the potential to become valued employees. The employers then focus on training Caymanians in technical and subject matter skills and expertise, and WORC delivers structured training, mainly around soft skills.
	This programme includes Employability Skills 101. This element aims to address some of the direct and indirect barriers to employment identified by employers and jobseekers, such as effective communication, interviewing strategies and customer service.
Second Chances Programme	Under this civil service programme, Caymanians with a prior conviction who have served their sentence, are considered low risk of reoffending and who have demonstrated effective rehabilitation, are invited to register via WORC to be considered for employment with the Government. This programme is a PoCS initiative in partnership with WORC, His Majesty's Prison Service and the Department of Community Rehabilitation.
Technical and Vocational Education and Training (TVET)	WORC offers TVET training and development courses aimed at upskilling and retooling Caymanians in the workforce and helping them access industry qualifications. The training can take place in educational or professional settings, focusing on industry practices.
Specialised training and industry certifications	These programmes aim to develop and connect Caymanians to opportunities to build employment skills and knowledge through targeted short training opportunities.

Source: OAG analysis of WORC's website. Note: Unless specified the employment programme is run by WORC.

A RANGE OF BODIES ARE INVOLVED IN IMPROVING EMPLOYMENT PROSPECTS FOR CAYMANIANS

8. WORC collaborates with different public and private sector entities in pursuing its objectives. Exhibit 3 presents some of the public and private sector entities that WORC collaborates with to improve employment prospects for Caymanians.

Exhibit 3: Public sector entities that collaborate with WORC

Entity	Role
Public sector	
Ministry of Border Control, Labour and Culture (MBCL)	WORC is a department under MBCL. Therefore, WORC is accountable to MBCL's Chief Officer.
Business Staffing Plan Board (BSPB) and the Work Permit Board	The BSPB reviews and grants or denies work permit applications for employers with 15 or more employees. The Work Permit Board performs the same role for employers with fewer than 15 employees. As stated in the About the audit section later in this chapter, the audit did not cover the process for awarding work permits, Caymanian status and permanent residency.
Needs Assessment Unit (NAU)	NAU assists Caymanians who qualify for financial assistance due to unemployment, underemployment, disability or other types of hardship. NAU requires all unemployed members of an applicant's household who are aged between 18 and 59 to provide proof of registration with WORC.
Economics and Statistics Office (ESO)	The ESO is the national statistics office of the Cayman Islands. It is also the advisory arm of the Government on all matters relating to the collection and dissemination of statistics. ESO conducts labour force surveys annually to prepare its Labour Force Survey Reports. The reports provide information on the characteristics of employed and unemployed people in the labour force. ESO also presents demographic information on the general population and some characteristics of people not in the labour force.
Ministry of Education (MoE)	MoE provides policy advice and administrative and governance support, and delivers a range of programmes and services to the public that enable the Minister of Education to achieve strategic educational goals. Departments within the Ministry provide a range of programmes and services to enhance Caymanian students' job prospects. For example, the Scholarship Unit administers government scholarships for Caymanians.
Portfolio of the Civil Service (PoCS)	PoCS provides strategic human resource advice and operational human resource functions to government entities, including WORC. PoCS runs the Second Chances Programme in partnership with WORC, His Majesty's prison service and the Department of Community Rehabilitation.
University College of the Cayman Islands (UCCI)	UCCI offers certificate and undergraduate and graduate degree programmes. UCCI also offers professional courses and workforce training programmes. For example, UCCI provides short training courses on basic English, digital literacy and customer service. UCCI also offers speciality industry certifications such as Electrical Installation – Level 1 and Plumbing – Level 1.

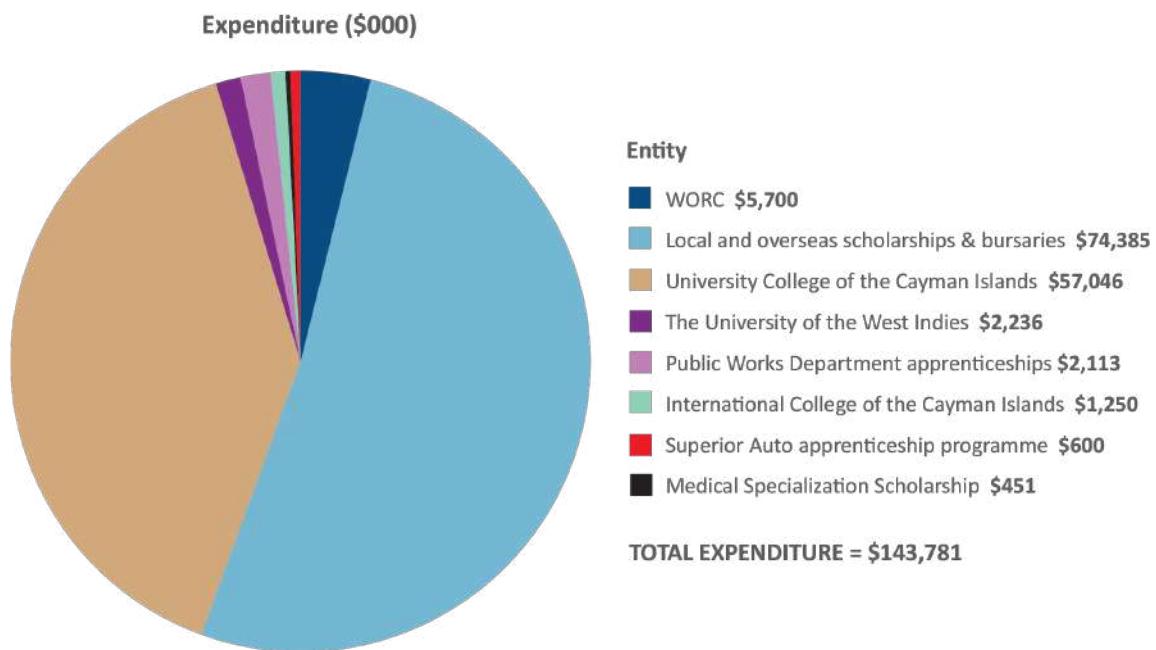
Entity	Role
Private sector	
Chamber of Commerce	The Chamber of Commerce aims to promote and protect Caymanian businesses and ensure their voices are heard by the Government. It collaborates with WORC by providing information on education, employment and workforce development, economic growth and diversification, and community development.
Cayman Contractors Association (CCA)	CCA aims to ensure that the Islands' construction industry serves the Caymanian public professionally and efficiently. It also seeks to ensure its members comply with relevant laws and regulations. Membership of CCA is voluntary. CCA collaborates with government entities, including WORC, to review educational and training programmes pertinent to the construction industry.
Cayman Islands Small Business Association (CISBA)	CISBA aims to support, mentor, coach and educate small businesses to enable them to thrive in the Cayman Islands business environment. We were told that CISBA has at least 215 members.
Cayman Islands Tourism Association (CITA)	CITA aims to promote the continuous improvement and development of the Cayman Islands' tourism industry through information exchange, government relations, training and education, marketing and events. In 2022, the tourism industry had the third highest number of work permits after the construction and wholesale and retail (including vehicle and motorcycle repair) industries.
Inspire Cayman Training	Inspire Cayman Training is an internationally accredited training centre. It aims to promote vocational courses that are accessible to everyone in the Cayman Islands to reduce national unemployment.
Nova Recruitment	Nova Recruitment provides recruitment services for administrative support and financial service professionals across the Cayman Islands. Nova also offers career guidance and training to help people build the skills they need for successful careers.

Source: OAG analysis of WORC's and stakeholders' websites and other related public documents.

THE GOVERNMENT SPENT AROUND \$144 MILLION OVER FIVE YEARS TO IMPROVE CAYMANIANS' EMPLOYMENT PROSPECTS

9. The Government spent around \$144 million to improve employment prospects for Caymanians between 2019 and 2023. Of this, \$131 million, or 91 per cent, was spent on local and overseas scholarships and bursaries administered by the Scholarship Secretariat and University College of the Cayman Islands (UCCI). Exhibit 4 details this expenditure by entity from 2019 to 2023. WORC estimated that its expenditure to improve employment prospects for Caymanians was around \$5.7 million between 2019 and 2022.

Exhibit 4: Government expenditure on improving employment prospects for Caymanians by entity from 2019 to 2023



Source: OAG analysis of information provided by WORC and the Ministry of Education, and data from the Government's accounting system, IRIS.

ABOUT THE AUDIT

10. The objective of the audit was to assess WORC's efficiency and effectiveness in improving employment prospects for Caymanians. Improving employment prospects requires a joined-up approach across the Government. Therefore, the audit also considered contributions from other public sector entities where relevant. The audit sought to answer the following questions:

- Does the Government have a clear and effective strategic direction for improving employment prospects for Caymanians?
- How effective have WORC and the Government been at removing barriers to employment and improving employment opportunities for Caymanians?
- How effective has WORC been in improving employment prospects for Caymanians?

11. The report is structured into three chapters:

- Strategic direction and legal framework.
- Performance and use of resources.
- Barriers to and opportunities for improving employment prospects.

12. The audit covered the Government's strategic direction and WORC's strategic direction and use of resources to improve employment prospects for Caymanians from 2019 to 2022. We used 2023 data and information where relevant. The audit did not cover the process for awarding work permits, Caymanian status and permanent residency.
13. The audit, conducted in line with International Standards of Supreme Audit Institutions standards, drew on a range of evidence to inform our findings and conclusions. The evidence included:
 - Interviewing key stakeholders, including MBCL's Chief Officer, WORC's Director and senior officials at public and private sector entities involved in improving employment prospects for Caymanians.
 - Reviewing legislation, budget documents, financial and non-financial reports, statements and information on staffing.
 - Analysing and recalculating financial and performance information.
 - Comparing the frameworks, processes and practices in use against good practice.
 - Analysing audit evidence and assessing it against agreed criteria to develop findings, conclusions and recommendations.
 - Providing a draft report to MBCL and WORC officials so they could review its factual accuracy and respond to the report's recommendations (see Appendix 2).
 - Presenting a final report about the audit to Parliament.
14. More information about the audit, including the audit criteria, approach and methodology, can be found in Appendix 1 of this report. Appendix 3 shows outputs data for WORC's employability programmes. Appendix 4 shows WORC's key performance indicators (KPIs) that are directly related to improving employment prospects for Caymanians, and its performance against them in 2022.

STRATEGIC DIRECTION AND LEGAL FRAMEWORK

15. This chapter assesses the strategic direction and legal framework for improving employment prospects for Caymanians.

THERE IS NO OVERARCHING STRATEGY TO IMPROVE EMPLOYMENT PROSPECTS FOR CAYMANIANS, BUT INDIVIDUAL STRATEGIES ARE IN PLACE

16. Strategic planning is essential in determining an organisation's direction and priorities, and in identifying, managing and reducing risks. It involves understanding the challenges, trends and issues; understanding who the key stakeholders are and what they need; and determining the most effective way to achieve an organisation's mandate. A good strategy drives focus, accountability and results.⁵ It is good practice for an organisation to have a strategic plan to help it direct its activities and set clear goals, objectives and priorities.
17. As stated in the **Introduction** chapter, successive governments have consistently prioritised improving employment prospects for Caymanians in their SPSs. Exhibit 5 highlights the Broad and Specific Outcomes on improving prospects for Caymanians in the 2022–23 SPS as an example.⁶

⁵ *Strategic Planning Guide for Managers*, United Nations, 2019.

⁶ As stated in the **Introduction** chapter, the audit does not cover all these Broad and Specific Outcomes.

Exhibit 5: Broad and Specific Outcomes on improving prospects for Caymanians (2022–23 SPS)

Broad Outcome	Specific Outcomes
Broad Outcome 1: Improving education to promote lifelong learning and greater economic mobility.	<p>This Broad Outcome included Specific Outcomes to:</p> <ul style="list-style-type: none"> Provide financial and learning support for lifelong education by expanding the scholarship age limit for post-graduate degree programmes; and incentivise Caymanians to upskill by implementing a reward system. Invest in tomorrow's economy through STEAM (Science Technology, Engineering, Arts, Mathematics) education, training and technology by promoting more private sector internship and apprenticeship opportunities; increasing investment in and awareness of TVET programmes; and implement a centralised TVET curriculum starting at the primary school level.
Broad Outcome 2: Ensuring an equitable, sustainable and successful healthcare system.	<p>This Broad Outcome included a Specific Outcomes to promote employment of Caymanians in the healthcare industry by promoting and highlighting local career and employment opportunities in the industry.</p>
Broad Outcome 3: Providing solutions to improve the well-being of our people so they can achieve their full potential.	<p>This Broad Outcome included Specific Outcomes to create greater employment opportunities for Caymanians by:</p> <ul style="list-style-type: none"> Ending dependency on cheap labour. Increasing training and development opportunities. Increasing compliance with labour laws. Partnering with the private sector to offer on-the-job training programmes. Increasing the minimum wage. Reducing discrimination against young people in education and employment through the decriminalisation of marijuana.
Broad Outcome 6: Increasing social justice in the workforce.	<p>This Broad Outcome included Specific Outcomes that are all linked to improving employment prospects for Caymanians:</p> <ul style="list-style-type: none"> Enhancing job opportunities for Caymanians through a data-driven and robust compliance approach. Creating and regulating a fair and safe workplace environment. Increasing the minimum wage. Increasing work experience opportunities through public and private sector partnerships. Reviewing the Permanent Residency point system to ensure greater protection for Caymanians.
Broad Outcome 9: Improving our financial services as an industry, product and economic driver for the Cayman Islands.	<p>This Broad Outcome included a Specific Outcome aimed at promoting and supporting Caymanian participation in the financial services industry.</p>
Broad Outcome 10: Improving our tourism industry as a product and economic driver.	<p>This Broad Outcome included Specific Outcomes aimed at encouraging Caymanian participation in the tourism industry and promoting Caymanian ownership of tourism-related businesses.</p>

Source: OAG analysis of the 2022–23 SPS.

18. The Cabinet changed in April 2021, after the election. Therefore, the 2022–23 SPS contained different Broad and Specific Outcomes from those in the SPSs covering the period 2018–2021. The 2024–25 SPS was in a different format from earlier SPSs and contained different Broad and Specific Outcomes.
19. It is unclear if the Government’s objectives were achieved because they were not clearly defined and what was needed to achieve them was not specified. For example, the 2020–21 SPS highlighted achieving full employment as a government priority but did not define it. Therefore, WORC cannot determine if it has achieved the Government’s objectives.
20. The civil service is responsible for implementing government policies but has not developed an overarching strategy for improving employment prospects for Caymanians. We further discuss the need for an overarching strategy to improve employment prospects for Caymanians in the **Barriers to and opportunities for improving employment prospects** chapter. Although there is no overarching strategy to improve employment prospects for Caymanians, several individual strategies and policies are in place. For example:
- The Ministry of Education (MoE) approved a technical and vocational education and training (TVET) framework in April 2022, *The Cayman Islands National Strategic Framework for Technical Vocational Education and Training*.
 - The Education Council approved a policy for administering government scholarships in 2019, *Scholarship Policies and Guidelines*.
 - The Government is currently reviewing the minimum wage and aims to update *The Labour (National Minimum Basic Wage) Order, 2016*.

We discuss each of these strategies in the following paragraphs.

APPROVAL OF THE TVET FRAMEWORK IS A WELCOME DEVELOPMENT, BUT SOME GAPS REMAIN

21. Each of the SPSs from 2018 have highlighted TVET as a priority. The Government has consistently included objectives to develop new approaches for TVET to maximise opportunities for students to develop relevant skills needed for future employment. However, the SPSs did not specify the required skills or approaches. In a 2019 report, the Office of the Auditor General (OAG) recommended that MoE develop a national TVET strategy that considers the Government’s economic priorities and employers’ current and future needs.⁷ MoE has yet to address this recommendation. However, as stated above, MoE finalised a TVET framework in April 2022, which is a welcome development. MoE plans to implement the framework in three phases:
-

⁷ *School Education*, Office of the Auditor General Cayman Islands, October 2019.

- **Phase 1.** Supported by a national promotion campaign, roll out the framework with the TVET provisions currently offered.
 - **Phase 2.** (a) Work with TVET stakeholders to take on board recommendations. (b) Review the framework to seek funding and expand TVET options in private schools and via other education providers.
 - **Phase 3.** (a) Implement recommendations from Phase 2. (b) Convene a steering committee to ensure the framework is implemented. (c) Specify policies, actions and monitoring strategies to ensure the framework is successfully implemented.
22. The framework does not set a timeline for its three phases, and MoE's progress in implementing the framework is unclear. In addition, the framework meets some, but not all, elements of good practice. Exhibit 6 shows our assessment of the framework against good practice for strategic plans.

Exhibit 6: Assessment of MoE's TVET framework against good practice

Good practice for strategic plans	Met, partly met or not met	How the TVET framework measures against good practice
Sets out the organisation's vision, goals and objectives	<input checked="" type="checkbox"/>	The framework sets out the vision, mission, goals and objectives of TVET. The framework's vision is for "TVET to be a driving force of national development which provides lifelong learning and career opportunities for all, through a comprehensive framework, as an integral part of education in the Cayman Islands".
Identifies relevant changes in its environment and details how it will respond to them	<input checked="" type="checkbox"/>	The framework sets out the goals and objectives of TVET. It also sets out the barriers to successful implementation, but does not state how MoE will overcome them.
Has clear baselines describing its current state of affairs	<input checked="" type="checkbox"/>	The framework sets out TVET courses offered in public and private high schools, and 2020 TVET attainment data for public schools. It also sets out TVET courses offered after high school at public and private institutions. However, it does not assess the TVET skills required now and in the future as a basis for the actions planned in the strategy. Nor does it set out the priority TVET skills.
Identifies success measures, including outcomes	<input type="checkbox"/>	The framework does not specify success measures against which progress will be measured. Nor does it state who is responsible for its implementation or the timeline within which its objectives are to be met.
Links to financial plans to demonstrate affordability and to workforce plans to guide human resource decisions	<input type="checkbox"/>	The framework does not set out the financial and workforce resources needed to implement it. Nor does it identify the funding requirements needed for its successful implementation.
Identifies its stakeholders and sets out plans to effectively engage them	<input type="checkbox"/>	The framework does not set out the key stakeholders and MoE's plan to engage them in implementing it successfully.
<input checked="" type="checkbox"/> Met <input checked="" type="checkbox"/> Partly met <input type="checkbox"/> Not met		

Source: OAG analysis of MoE's TVET framework against good practice for strategies.

Recommendation 1: The Ministry of Education should update its TVET framework to align with good practice.

STUDENTS COULD NOT ACCESS TVET FUNDING AT SOME LICENSED TVET INSTITUTIONS UNTIL NOVEMBER 2023

23. The Education Council is a 16-member body comprising private individuals and public servants. The Minister for Education delegates some matters to the council, and the council advises the Minister on education matters. It also registers educational institutions, institutions providing educational support services, teachers in schools and early childhood and education centres, and regulates the teaching profession.
24. The Government provides educational scholarships to Caymanian students through the Education Council. The scholarship funding aims to provide Caymanian students with every possible opportunity to fulfil their education and career goals. The Scholarship Secretariat, a department under MoE, administers the scholarship funding on behalf of the Education Council, following the guidance in *Scholarship Policies and Guidelines*. Until September 2023, the secretariat had only one local scholarship application period each year. Therefore, it could not facilitate scholarship funding for programmes that do not follow the traditional academic year of September to June.
25. As at September 2023, seven Cayman Islands-based institutions were registered by the Education Council to provide TVET courses. However, only two, UCCI and Cayman Career Academy, offered TVET courses that follow the traditional academic year. Therefore, students could not get government scholarships to study short- to medium-term TVET courses at the other five institutions. In September 2023, MoE approved the *Policy for Funding Learner Access to Local Private Technical and Vocational Education Training (TVET) Institutions*. The policy aims to provide scholarships for short- to medium-term career-based courses at all of the local private TVET institutions. The Scholarship Secretariat started receiving applications for funding under this policy in November 2023. It is too early to assess the impact of this change.

THERE ARE GAPS IN THE ADMINISTRATION OF GOVERNMENT SCHOLARSHIPS

26. As stated above, the Government provides educational scholarships to Caymanian students, administered by the Scholarship Secretariat. Between 2019 and 2023, the Government spent about \$75 million on scholarships. Data from the Economics and Statistics Office (ESO) shows that, on average, about 670 students benefited from scholarships to study overseas annually from 2019 to 2023. The secretariat does not collect data on scholarship beneficiaries studying in the Cayman Islands; therefore, we cannot report on it. In our 2019 report, *School Education*, we noted that the secretariat does not:
 - have robust monitoring and reporting arrangements in place to ensure that scholarship funding is achieving its aims;
 - collate and retain data on the subjects and courses funded;

- retain destination data of scholarship recipients for analysis, for example whether they are employed in the Cayman Islands and in which professions.
27. Without this information, it is difficult to determine whether scholarship funding is achieving its intended purpose or how it is contributing to the Government's economic priorities. Therefore, we recommended that the secretariat collect, analyse and report information on all scholarships annually to better demonstrate how scholarship funding is achieving its intended purpose and contributing to economic priorities. We also recommended that the data collected include the subjects and courses funded and the outcomes of scholarship recipients. Finally, we recommended that the Government identify and implement strategies to encourage beneficiaries to undertake courses aligned to current and projected work permit needs. These recommendations have yet to be addressed more than four years later. We will continue to follow up on them in the future.
28. The secretariat no longer performs means-testing for scholarship applicants. Means-testing enabled scholarship funding to be targeted at the students who need it the most. In 2019 and 2020, Caymanians whose parents had combined earnings of \$250,000 or had a net worth greater than \$500,000 could not get scholarship funding. In 2021, the Education Council removed the income threshold and reduced the net worth threshold to \$400,000. In April 2023, the Minister of Education directed the Education Council and the Scholarship Secretariat to stop means-testing as a prerequisite for awarding scholarships. It is too early to assess the impact of this policy change. We recently added a performance audit of the administration of government scholarships to our performance audit programme, and will therefore explore these issues in more detail in the future.

THE MINIMUM WAGE HAS ONLY RECENTLY BEEN REVIEWED, DESPITE IT BEING A POLICY OBJECTIVE FOR AT LEAST FIVE YEARS

29. In February 2016, the Government published *The Labour (National Minimum Basic Wage) Order, 2016*. The order sets the national basic minimum wage at \$6.00 per hour in a standard work week. It also sets a lower rate of \$4.50 for employees who are part of gratuity schemes approved by the Director of Labour. For domestic workers and employees paid on commission, the order states that at most 25 per cent of their \$6.00 per hour minimum wage may comprise payment-in-kind in the form of accommodation and utilities or commissions.
30. The national basic minimum wage has not been revised for almost eight years, even though increasing it or ensuring it keeps pace with inflation has been a government priority since 2018. Our calculations show that the national basic minimum wage would have been \$7.92 per hour at December 2023, or 32 per cent higher than the current rate of \$6.00 per hour, if it had kept pace with inflation. Exhibit 7 shows the inflation-adjusted national basic minimum wage from 2016 to 2023.

Exhibit 7: The inflation-adjusted national basic minimum wage from 2016 to 2023



Source: OAG analysis of the national basic minimum wage. We obtained the inflation rates from the Economic and Statistics Office's (ESO) 2022 Compendium of Statistics and its Cayman Islands' Consumer Price Index Report: October to December 2023.

31. In October 2022, the Cabinet appointed a Minimum Wage Advisory Committee (MWAC) to review the minimum wage and advise the Cabinet about revising it. In its October 2023 report, MWAC recommended increasing the national minimum wage to \$8.75 per hour, a 46 per cent increase.⁸ For employees who are part of gratuity schemes, MWAC recommended that the provision allowing gratuities and commissions to make up 25 per cent of their minimum wage be phased out gradually, expiring in 2029. For domestic workers, the report did not recommend any changes. The Cabinet has yet to implement MWAC's recommendations.
32. The Global Living Wage Coalition defines a living wage as the remuneration received for a standard working week by a worker in a particular place that is sufficient to afford a decent standard of living for the worker and their family. The coalition states a decent standard of living includes the elements of food, water, housing, education, health care, transport, clothing and other essential needs, including provision for unexpected events.⁹ The living wage is usually higher than the

⁸ *Minimum Wage Regime in the Cayman Islands*, Minimum Wage Advisory Committee, October 2023.

⁹ According to its website, the Global Living Wage Coalition is a unique knowledge-action partnership working to enable collaborative action to achieve a decent standard of living for working people and their families worldwide.

minimum wage. MWAC's report states that a living wage would range from \$10.38 to \$16.95 per hour, almost double to triple the current minimum wage.

THE LEGAL FRAMEWORK IS SOUND, AND FURTHER CHANGES ARE PLANNED

THE IMMIGRATION ACT AND REGULATIONS ARE ROBUST

33. As stated in the **Introduction** chapter, the *Immigration Act* sets out WORC's functions. The act is supported by the Immigration Regulations (2019 Revision) (the regulations). The act and the regulations are robust and clearly define WORC's functions.

- Under Regulation 6 – Training and recruitment, WORC may require employers to develop programmes aimed at training and developing Caymanians, so that they can take over jobs held by work permit holders. WORC can deny work permit applications if an employer does not have in place or implement these. This regulation should promote employment for Caymanians. We did not assess how effectively WORC enforces this requirement, because WORC's regulation of work permits was not within the scope of this audit.
- Under Regulation 4 – Applications for work permits, WORC cannot approve a work permit application unless an employer demonstrates that there is no Caymanian ready, willing and able to take the job. WORC, therefore, requires employers to advertise all jobs on its jobs portal, JobsCayman. WORC requires all job adverts to include complete and accurate job descriptions. However, we highlight later in the **Barriers to and opportunities for improving employment prospects** chapter that WORC cannot challenge job adverts with unreasonable qualification demands.

ADDITIONAL CHANGES TO THE LEGAL FRAMEWORK ARE PLANNED

34. As stated above, the minimum wage has not been updated for over eight years. The committee the Cabinet set up to advise on the new rate submitted its report to the Cabinet in October 2023, but the progress made since then is unclear.

35. Parliament passed the *Cayman Islands Identification Card Act, 2022* in December 2022. The Cabinet has yet to bring the act fully into force, but sections 10(1) and (2) should make it easier for WORC to identify a person's Caymanian status while processing a work permit.

36. Parliament passed the *Financial Assistance Act, 2022* in October 2022. The act will replace the *Poor Persons Relief Act, 1997* when the Cabinet brings it into force. It introduces conditions for receiving financial assistance to encourage adults who can work to join the labour force. For example, under the act, the Director of the Needs Assessment Unit (NAU) may require recipients of financial assistance to register with WORC and engage in WORC programmes to enable them to re-enter employment. The WORC programmes may include educational courses, internships and

apprenticeships. The act empowers the Director of NAU to revoke financial assistance if satisfied that a recipient has breached this condition.

WORC HAS SEEN NUMEROUS CHANGES OF, AND GAPS IN, LEADERSHIP, AFFECTING ITS STRATEGIC DIRECTION

37. WORC has seen numerous changes of, and gaps in, leadership since its creation. For example, in its first four years of existence, WORC has had four acting Directors. In March 2023, WORC appointed a permanent Director.
38. We were told that the numerous leadership changes contributed to a lack of consistency, stability and clarity in pursuing WORC objectives. For instance, WORC has yet to develop a strategy to guide its operations or translate the Government's vision for improving employment prospects for Caymanians into an effective strategy and objectives. In December 2023, WORC hired a consultant to develop a strategic plan that will align its goals to SPS specific priorities and develop clear key performance indicators. WORC expects the plan to be ready in June 2024.
39. In addition, WORC had several vacancies at the senior management level between 2019 and 2023. In reviewing WORC's organisational chart as at July 2023, we noted that WORC still had 15 vacant positions, including the following key positions:
 - Deputy Director – Compliance;
 - Deputy Director – Business Operations (the Deputy Director of Business Operations position was vacant until January 2020, when WORC filled the position; however, that individual resigned in 2021, and the position has been vacant since);
 - Head of Work Permits, Cayman Status and Permanent Residency;
 - Senior Human Resources Manager; and
 - Records Manager.
40. WORC appointed staff to the two Deputy Director posts in October 2023. The other three positions were vacant as at 31 December 2023. It is unclear why WORC has been unable to successfully recruit staff for these posts.
41. As stated in the **Introduction** chapter, the Government created WORC in 2019. In May 2022, the Office of the Deputy Governor released Governance and Management Circular 1 of 2022, CIG Guidance – Public Service Mergers. The circular aimed to establish guidance for all senior service leaders and managers concerning public service mergers. It also highlights the importance of conducting a post-merger review to ensure planned benefits were achieved and identify lessons learned for the future. WORC's creation predates the circular, but the circular's post-merger guidance is relevant. MBCL and WORC have not yet prepared a post-merger report assessing whether the merger's objectives have been met and identifying lessons learned for future use by the Government.

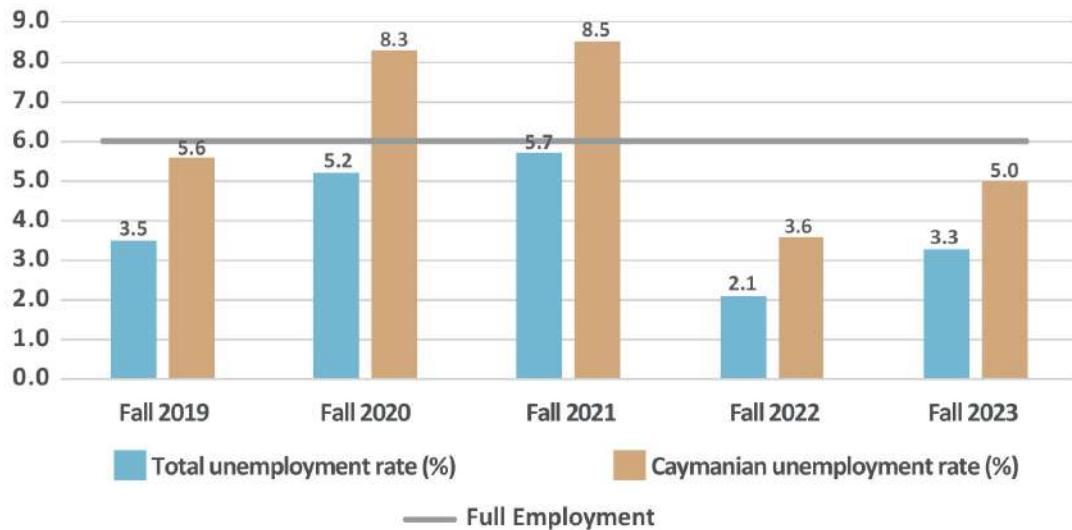
PERFORMANCE AND USE OF RESOURCES

42. This chapter explores WORC's performance and how it uses government funding to pursue its objectives. It assesses the unemployment rate; WORC's expenditure and staffing levels; JobsCayman's effectiveness and that of WORC's employability programmes; and WORC's performance against its KPIs and output targets that relate directly to improving employment prospects for Caymanians.

FULL EMPLOYMENT FOR CAYMANIANS HAS BEEN ACHIEVED

43. The International Labour Organization (ILO) defines full employment as an unemployment rate of between 3 and 6 per cent of the labour force.¹⁰ Exhibit 8 shows the Cayman Islands' total unemployment rate and the unemployment rate among Caymanians from Fall 2019 to Fall 2023. The exhibit shows that full employment, according to ILO's definition, has been consistently achieved for Caymanians since 2019 except during the COVID-19 pandemic in 2020 and 2021.

Exhibit 8: Total and Caymanian unemployment rates, Fall 2019 to Fall 2023



Source: Cayman Islands' Compendium of Statistics 2023, ESO, April 2024.

¹⁰ See ILO website:

https://www.ilo.org/employment/Informationresources/Publicinformation/articles/WCMS_730021/lang--en/index.htm (accessed 10 August 2023).

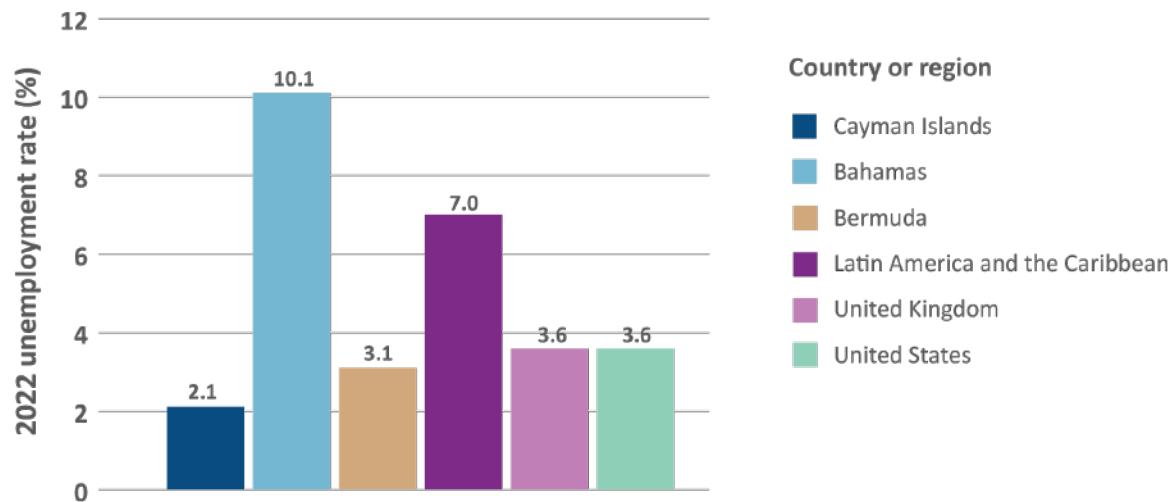
44. The exhibit shows that the unemployment rate among Caymanians reduced from 5.6 per cent in Fall 2019 to 5.0 per cent in Fall 2023, an 11 per cent decrease. However, we cannot attribute the decrease to WORC because we do not have data to support this. It also shows that the total unemployment rate was consistently lower than that of Caymanians. This is expected, because most non-Caymanians need to work to live in the country. However, the two rates are correlated. The higher unemployment rates in 2020 and 2021 are attributed mainly to the negative impact of the COVID-19 pandemic on the economy. The unemployment rate has recovered well since and as at Fall 2023:

- There were 1,143 unemployed Caymanians (350 more than in Fall 2022).
- People aged 15–24 and those aged over 55 accounted for around half of unemployed Caymanians (down from 60 per cent in Fall 2022). Consistent with data published internationally by the Organisation for Economic Co-operation and Development, the ESO's definition of the labour force includes people aged 15 and older. However, this grouping is inconsistent with the *Education Act, 2016*, which requires students to be in full-time education until the age of 17. It is unclear how many unemployed Caymanians are aged 15–17. Therefore, the unemployment rate among Caymanians is likely to be lower, since Caymanians aged 15–24 account for about 30 per cent of unemployed Caymanians.
- 686, or 60 per cent of unemployed Caymanians, had a high school diploma or lower as their highest educational level. The average for this statistic from 2019 to 2022 was higher at around 70 per cent.

THE UNEMPLOYMENT RATE IS LOWER THAN THAT IN SELECTED COUNTRIES AND REGIONS

45. Compared with other countries in the region, the overall unemployment rate in the Cayman Islands was significantly lower as at Fall 2022. We have used the 2022 rate to allow for international comparison. The Cayman Islands' unemployment rate was lower than that in larger, first-world countries such as the United Kingdom and the United States of America, where the unemployment rate was 3.6 per cent in each case in the same year. Exhibit 9 shows the unemployment rate in the Cayman Islands and selected countries and regions in 2022.

Exhibit 9: Total unemployment rates in the Cayman Islands and selected countries and regions, 2022



Source: OAG analysis of data from ESO, the World Bank and the Government of Bermuda.

WORC SPENT ABOUT \$72.2 MILLION BETWEEN 2019 AND 2023

46. Between 2019 and 2023, WORC spent \$72.2 million. The Government financed \$52.6 million, or 73 per cent of this expenditure, through its output funding. WORC generated the remainder from fees for work permits, residency and status, generating a total surplus of \$9.8 million in the five years. As highlighted in the **Introduction** chapter, WORC has functions other than improving employment prospects. WORC estimated that around \$5.7 million of its total expenditure between 2019 and 2022 was directly related to improving employment prospects for Caymanians.
47. Exhibit 10 shows WORC's revenue and expenses from 2019 to 2023. The exhibit shows that the Government's annual output funding to WORC doubled from \$6.2 million in 2019 to \$12.8 million in 2023. In the same period, WORC's expenses increased from \$12.4 million to \$16.2 million, a 31 per cent increase.

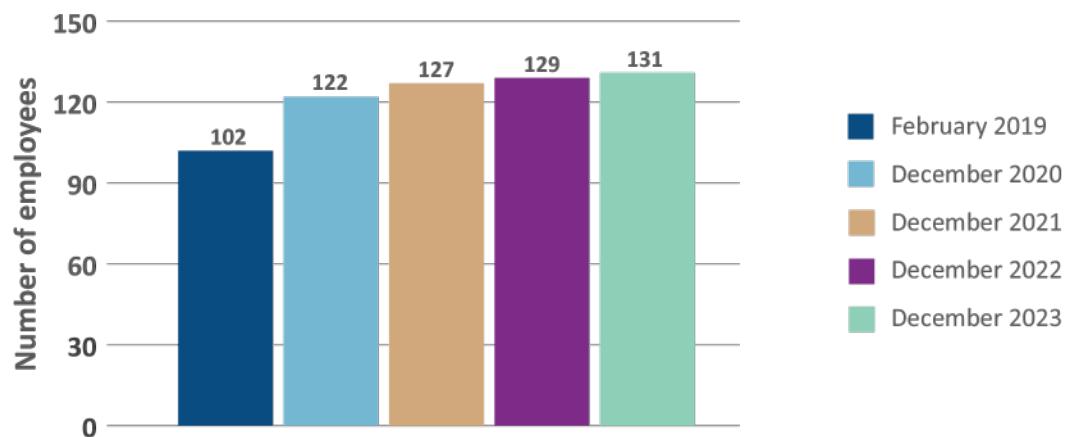
Exhibit 10: WORC's revenue and expenses, 2019 to 2023

	2019 (\$000s)	2020 (\$000s)	2021 (\$000s)	2022 (\$000s)	2023 (\$000s)	Total (\$000s)
Revenue						
Outputs to Cabinet	6,208	6,804	9,170	17,692	12,764	52,638
Work permit fees	4,448	1,649	4,258	6,195	6,862	23,412
Residency fees	629	513	1,006	949	886	3,983
Caymanian status fees	143	99	176	160	145	723
Other revenue	363	(233)	237	367	450	1,184
Total revenue	11,791	8,832	14,847	25,363	21,107	81,940
Expenses						
Personnel costs	7,566	8,592	9,907	10,095	11,011	47,171
Supplies and consumables	4,350	3,489	3,750	3,984	4,568	20,141
Depreciation and impairment	449	777	2,286	707	619	4,838
Total expenses	12,365	12,858	15,943	14,786	16,198	72,150
Surplus/(Deficit)	(574)	(4,026)	(1,096)	10,577	4,909	9,790

Source: OAG analysis of the Government's financial system (IRIS). 2023 figures are unaudited.

48. We state later in the **Performance and use of resources** chapter that WORC outsources most of its programmes aimed at improving employment prospects for Caymanians. WORC spent approximately \$2.2 million on the outsourced training programmes and about \$41,000 on subsidising internships and apprenticeships from 2019 to 2023. These costs are included within supplies and consumables.
49. According to MBCL's 2024 and 2025 Budget Statements, WORC's budget is around \$18 million in 2024 and 2025. We previously highlighted that WORC had spent around \$5.7 million between 2019 and 2022 improving employment prospects for Caymanians and that full employment for Caymanians has been achieved. WORC told us that its budget for expenditure that directly relates to improving employment prospects is around \$1.8 million in both 2024 and 2025.
50. Personnel costs accounted for \$47.1 million, or about 65 per cent, of WORC's total expenditure from 2019 to 2023. Exhibit 11 shows WORC's employee headcount from 2019 to 2023. The exhibit shows that WORC's employee headcount increased from 102 in February 2019, when it started operating, to 131 as at December 2023, a 28 per cent increase. We were unable to determine how many of these employees were directly involved in improving employment prospects for Caymanians because WORC did not give us the information.

Exhibit 11: WORC's employee head count, 2019 to 2023



Source: OAG analysis of data from the Government's Human Resource Management System.

THE TAKE-UP RATE OF THE JOBCAYMAN PORTAL HAS INCREASED, BUT THE PORTAL IS INEFFECTIVE

51. The *Immigration Act* requires employers to advertise all job vacancies on the WORC jobs portal for at least 14 days before submitting a work permit application. WORC launched an online jobs portal, JobsCayman, in May 2020. According to WORC, JobsCayman is an online system that allows registered users to access job postings created by registered employers. JobsCayman aims to offer a better approach to facilitating Caymanians in finding employment and enabling employers to search for qualified and skilled Caymanians seeking employment.¹¹ However, interviews with stakeholders highlighted several issues with JobsCayman. For example:

- The system is not user-friendly.
- Employers cannot search the portal for Caymanians with particular qualifications and skills. Instead, they are only notified when applicants submit job applications.
- Sometimes the portal does not work due to technical glitches.
- WORC does not provide timely customer assistance to users requiring technical support to register or submit job applications.
- JobsCayman is not optimised for mobile viewing. Therefore, Caymanians without computers or laptops cannot use the system.
- Many applicants do not know how to upload their resume (or CV) to the portal. If an applicant does not upload their resume to JobsCayman, the system automatically generates one for them based on the details they provided during the application process. These auto-generated

¹¹ *JobsCayman Launching Soon*, WORC, August 2019.

resumes are very unappealing to employers because they are poorly formatted. However, job applicants may not be aware of this.

52. Many websites require only that users confirm their email before allowing them to create an account. However, WORC reviews all accounts created on JobsCayman before they are registered. In doing so, it aims to minimise fraud and data breaches. WORC aims to complete the review within three days. The time taken to carry out the review means that applicants are at risk of missing job application deadlines if they register with the site close to the deadline date. However, it is unclear how many applicants have missed a job application deadline because of this.
53. WORC has not assessed progress in achieving JobsCayman's aims. MBCL did not give us the business case supporting the procurement of JobsCayman. Therefore, we could not perform this assessment. WORC uses 'HappyOrNot' surveys on its website to track customer satisfaction. WORC's 2022 data showed that 73 per cent of users were happy with JobsCayman. WORC does not have data for previous years. The HappyOrNot surveys on WORC's website allow customers to provide additional feedback in the form of comments. It is unclear how WORC uses this data to inform decisions and improve users' experience.

THE MINISTRY OF BORDER CONTROL, LABOUR AND CULTURE PLANS TO OVERHAUL
JOBSCAYMAN

54. MBCL undertakes IT system acquisitions and manages IT systems on WORC's behalf. MBCL plans to update the user interface for JobsCayman. The upgrade will cost about \$3.0 million between 2023 and 2027. During 2023, WORC spent \$1.5 million on the JobsCayman upgrade. We were told that MBCL considered feedback from WORC in developing the upgrade, but MBCL did not give us evidence to support this statement. It is also unclear whether MBCL prepared a business case for the upgrade. In June 2022, the OAG recommended that the Government develop business cases for e-Government projects (online services systems).¹²
55. MBCL recently wrote off significant IT expenditure for the Bizagi platform, initially used for JobsCayman. MBCL signed the contract for Bizagi's development in 2019 and had it in development until 2021. Bizagi cost \$1.2 million, and its annual maintenance costs were about \$500,000. In March 2022, MBCL acquired a new platform, Liferay, to replace Bizagi. On 31 December 2022, MBCL reduced the value of the Bizagi system from about \$1 million to zero.

¹² *The Government's shift to online services*, Office of the Auditor General, June 2022.

56. In our June 2022 report, we also recommended the Government involve customers in designing and testing online services before they are developed and launched. MBCL did not give us evidence of user involvement in designing and testing the JobsCayman systems.

128,000 JOB APPLICATIONS HAVE BEEN SUBMITTED THROUGH JOBCAYMAN BUT LESS THAN HALF OF UNEMPLOYED CAYMANIANS ARE REGISTERED ON IT

57. As previously stated, employers cannot apply for work permits without advertising job vacancies on JobsCayman. Employers and jobseekers must create profiles on JobsCayman to advertise and apply for jobs, respectively. Between 2020 and 2022, about 9,200 employers and 4,800 jobseekers created profiles on JobsCayman. Over the same period, employers advertised about 41,000 jobs on the portal and jobseekers submitted almost 128,000 applications. Exhibit 12 shows JobsCayman activity data from 2019 to 2022.

Exhibit 12: JobsCayman activity data, 2019 to 2022

Category	Year			Total 2020–2022
	2020	2021	2022	
Jobseeker registrations	1,752	2,551	534	4,837
Employer registrations	2,918	4,799	1,463	9,180
Jobs advertised	8,546	12,948	19,727	41,221
Total job applications	31,600	41,943	54,154	127,697

Source: OAG analysis of MBCL annual reports from 2020 to 2022.

58. The exhibit shows that:

- The jobseeker registration rate was low in 2022, with around 500 new registrations, an 80 per cent decrease from 2021. Employer registrations increased initially, then reduced significantly from almost 4,800 in 2021 to around 1,500 in 2022, a 48 per cent decrease. Employers and jobseekers are required to register only once, which may explain the decline.
- The number of jobs advertised on the portal increased significantly over the same period, rising from around 8,500 in 2020 to over 19,700 in 2022, a 132 per cent increase. The number of jobs advertised increased every year.
- Total applications received and processed also increased each year. They increased significantly from 31,600 in 2020 to almost 54,200 in 2022, a 72 per cent increase.

59. Data from the ESO's *Labour Force Survey Report Fall 2023* shows that only 476 out of 1,146 unemployed Caymanians – 42 per cent – had registered with WORC to find a job.

“Registration with WORC” ranked third behind “contact an employer” and “ask friends”, which were 49 per cent and 47 per cent, respectively, in steps taken by unemployed Caymanians to look for a job. It is unclear why less than half of unemployed Caymanians have registered with WORC.

60. WORC does not have data on the number of Caymanian jobseekers who have obtained jobs using the JobsCayman portal. Employers are not mandated to provide feedback when a Caymanian is hired. Therefore, WORC is unable to track this data.
61. As previously stated, the Portfolio of the Civil Service (PoCS) is responsible for recruitment in the civil service. The civil service has a separate jobs portal, careers.gov.ky, where civil service entities can advertise jobs and jobseekers can apply. Between February 2022 and December 2022, about 3,500 Caymanian applicants used the jobs portal to submit over 13,000 applications. Caymanian applicants made up 53 per cent of all applications. In the same period, 300 Caymanian applicants submitted about 1,000 applications for internship opportunities. PoCS does not have data from previous years. Prior to the creation of the careers portal, civil service recruitment was decentralised to individual ministries, portfolio and departments.

Recommendation 2: WORC should collect outcomes data on unemployed Caymanians who have registered with it. WORC should regularly monitor and use the data to improve its employment services.

WORC STARTED COLLECTING JOB DATA IN MARCH 2022, BUT THERE ARE GAPS IN THE DATA

62. The *Immigration Act* requires WORC to provide the Government and the private sector with the findings of labour market demand assessments. It does not specify what form these demand assessments should take, but WORC did not carry out any in its first three years of existence. WORC told us that these assessments were not done because the Labour Demand Unit was unstaffed until 2022.
63. From March 2022, WORC started preparing monthly labour market assessments through monthly Job Posting Reports. The reports provide monthly and year-to-date information about the number of job adverts by industry, occupation, required educational level, years of experience and average salary. WORC extracts the data from JobsCayman. However, we noted the following points about the Job Posting Reports:
 - Analysis in the reports is hindered by gaps in the data. For example, the December 2022 report states that 19,700 jobs were advertised in 2022. However, only 16,000 adverts specified the required educational level and just over 6,000 specified the occupation. In other words, 3,700 job adverts did not specify the required educational level and 13,700 did not specify the occupation.
 - Until December 2023, WORC did not publish or share the reports with stakeholders such as MoE. Publishing the Job Posting Reports would provide jobseekers, students, employers,

schools and other stakeholders with information on labour market trends and in turn help to improve the employment prospects of Caymanians. It is encouraging that WORC has started publishing these reports. It is too early to tell whether and how stakeholders have started using the reports.¹³

- The reports make several recommendations based on WORC's data assessments but do not state how the recommendations will be addressed or by whom. For example, the December 2022 report recommended addressing skills gaps by emphasising the importance of higher education, such as professional certifications and bachelor's degrees. However, it is unclear to whom the recommendation is directed.
- The reports do not include data about civil service jobs because WORC and PoCS do not share employment data. PoCS, which handles recruitment for the civil service, has a separate job advertising site, as previously stated.

THERE ARE SEVERAL EMPLOYABILITY PROGRAMMES, BUT THEIR EFFECTIVENESS IS UNCLEAR

64. Exhibit 2 in the **Introduction** chapter shows that WORC and other public sector entities run several programmes aimed at improving employment prospects for Caymanians. Exhibit 13 shows that the programme completion rates are high, averaging 83 per cent, but varied by programme. We excluded 2023 data because some of the programmes are still ongoing, that is, they run across more than one calendar year.
65. PoCS runs the Second Chances Programme in partnership with WORC, His Majesty's Prison Service and the Department of Community Rehabilitation. Between 2019 and 2022, WORC referred 26 programme applicants to the programme. The majority of these people were ineligible to join the programme for various reasons, for example ongoing court proceedings. PoCS data shows that just over one third of the people referred by WORC to the programme had successful outcomes. Of these, eight people are now in permanent jobs in the civil service and one had left to start their own business.

¹³ We discuss gaps in collaboration and opportunities for a joined-up approach across the Government to improve employment prospect for Caymanians in the **Barriers to and opportunities for improving employment prospects** chapter.

Exhibit 13: Participant completion rates by training programme, 2019 to 2022

Programme	Number of participants who:		Completion rate
	Attended	Completed	
Passport2Success	146	110	75%
National Internship Programme	21	17	81%
National Apprenticeship Programme	25	23	92%
Ready2Work KY	318	256	81%
Second Chances Programme	11	8	73%
TVET	158	130	82%
Specialised training and industry certifications	328	293	89%
Total	1,007	837	83%

Source: WORC. Note: Refer to Appendix 3 for combined data from Exhibits 2, 13 and 14.

66. WORC outsources the running of most of these programmes to private companies. Between 2019 and 2022, it worked with about 17 employers to provide internships and apprenticeship opportunities to Caymanians. It also subsidised eight private companies to hire Caymanian interns or apprentices. WORC spent approximately \$2.2 million on outsourcing training programmes and about \$41,000 on subsidising internships and apprenticeships from 2019 to 2022.
67. WORC did not have detailed data from 2019 to 2021, but it did for 2022. Exhibit 14 summarises the 2022 data. It shows that about 1,000 Caymanians applied for WORC programmes in 2022. WORC accepted about 450 of the applicants, about 350 of them started a programme, and about 260 of them went on to complete the programme.

Exhibit 14: Data on WORC programmes aimed at improving employment prospects, 2022

Programme	Applied	Accepted	Started programme	Finished programme	Acceptance rate	Dropout rate after acceptance	Completion rate
Passport2Success	53	35	28	17	66%	20%	61%
National Internship Programme	1	1	1	1	100%	0%	100%
National Apprenticeship Programme	188	17	16	15	9%	6%	94%
Ready2Work KY	338	116	93	69	34%	20%	74%
Second Chances Programme	3	1	1	0	33%	100%	0%
TVET	204	130	108	81	64%	17%	75%
Specialised training and industry certifications	263	149	102	73	57%	32%	72%
Total	1,050	449	349	256	43%	26%	73%

Source: WORC. Notes: The acceptance rate is the percentage of applicants accepted to the programme by WORC. The dropout after acceptance rate represents the percentage of accepted applicants who did not start the programme. The completion rate represents the percentage of applicants who started and finished the programme. Refer to Appendix 3 for combined data from Exhibits 2, 13 and 14.

68. The exhibit shows that WORC accepts less than half of all programme applicants. Ready2Work KY and the National Apprenticeship Programme have the lowest acceptance rates. WORC told us that the Ready2Work KY programme is capped but did not provide us with evidence of the cap. WORC accepted less than 10 per cent of applicants to the National Apprenticeship Programme. WORC told us that the low acceptance rate was due to a lack of places. The National Internship Programme received and accepted only one application in 2022. WORC's acceptance rate suggests that demand for some programmes significantly exceeds the number of available places.
69. PoCS also facilitates paid internships within the civil service for Caymanians. The civil service has historically hired over 120 interns during the summer months. PoCS confirmed the internship programme is oversubscribed. Therefore, it has not been possible to accommodate the 300 applicants for internships during the summer months. The outcomes of PoCS's internship programme are not included in Exhibit 14.
70. About a quarter of all applicants drop out after acceptance. The specialised training and industry certifications programme has the highest dropout after acceptance rate of 32 per cent. Passport2Success and Ready2Work KY have the next highest rate, at 20 per cent.

71. Overall, over half of the applicants who are accepted finish the programmes. Completion rates vary by programme. The exhibit shows that the overall completion rate – 73 per cent – is high, but could be improved considering that more than a quarter of participants do not finish the programmes. The Passport2Success programme had the lowest completion rate of 61 per cent. The sole beneficiary of the National Internship Programme completed it. Ninety-four per cent of participants completed the National Apprenticeship Programme – the second-highest completion rate.
72. WORC has not set targets for placements, internships and apprenticeships. Neither does it have outcomes data on the success of the programmes, i.e. how many programme participants were later successful in finding jobs. Furthermore, it is unclear if WORC uses the outcomes data to inform decision-making and improve its employability programmes.
73. In 2023, WORC outsourced four training programmes for Caymanians to Inspire Training Cayman, a private company. The four programmes are an International Yacht Training (IYT) and Emergency First Response (EFR) course, the Ready2Work KY programme, a TVET programme and a general training programme. WORC categorises the IYT and EFR training as one programme. The general training programme covers accounting, grammar, sales, and computer and entrepreneurship skills. The training costs vary depending on the number of course participants. The programmes were ongoing at the time of drafting this report. WORC will pay about \$430,000 for the four programmes. The contracts with the private company specify the desired programme outcomes, for example placement in employment and apprenticeship and internship positions for students who successfully complete the programmes. WORC will need to set up robust contract monitoring arrangements to ensure successful delivery of these contracts.
74. The Government funds other apprenticeship programmes. For example, the Public Works Department (PWD) runs a separate construction trade apprenticeship programme offering technical training to Caymanians aged between 18 and 29. Participants in the programme can study carpentry, plumbing, air conditioning and refrigeration, masonry, electrical installation, welding and construction management. The Government spent about \$2.1 million on the programme between 2019 and 2023. The programme has a high completion rate. Between 2019 and 2022, PWD enrolled 107 participants in the programme. Of these, 44 have yet to finish their training. Of the remaining 63 participants, 54, or 86 per cent, completed the programme. However, PWD does not track how many participants find jobs or start businesses after they complete their apprenticeship. Therefore, we could not assess the programme's effectiveness.
75. MoE paid Superior Auto, a private company, \$600,000 between 2019 and 2023 to run a training programme for aspiring mechanics. The programme is free for all Caymanians who are accepted. MoE gives the company the funding directly. In other words, students do not have to apply for a government scholarship through the Scholarship Secretariat. The company is solely responsible for all matters relating to selecting and developing all participants. MoE does not have a purchase agreement with the company. Therefore, MoE cannot hold it accountable for providing the

apprenticeships. In addition, MoE does not track the outcomes of participants in the programme. Consequently, it is unlikely that the programme provides value for money for the MoE funding it receives.

Recommendation 3: WORC should collect outputs and outcomes data for all its employability programmes and use it to evaluate the programmes.

Recommendation 4: WORC and the Ministry of Education should ensure that all outsourced employability programmes are supported by robust contracts or purchase agreements to ensure that programme outcomes are clearly stated. WORC and MoE should also ensure they have robust contract monitoring arrangements in place to ensure programme outcomes can be tracked.

IT IS DIFFICULT TO MEASURE AND REPORT ON WORC'S PERFORMANCE BECAUSE OF INCOMPLETE DATA

76. KPIs are critical in measuring an organisation's performance. KPIs allow business owners and managers to get an overview of how their business – or an individual department – is performing at any given time. KPIs measure the business' goals against the actual, quantifiable data over a specified period.¹⁴

WORC DOES NOT REGULARLY MEASURE AND MONITOR PROGRESS AGAINST ITS KEY PERFORMANCE INDICATORS

77. Between February 2019 and May 2021, WORC did not set and monitor KPIs to assess its performance. In June 2021, WORC started preparing reports twice monthly, showing its performance against several KPIs. From January 2022, WORC began to prepare monthly reports for management review. In reviewing some of these reports, we noted that WORC does not regularly measure and monitor performance against its KPIs. For example, its report for the two weeks to 13 December 2021 is in draft form and does not have data about some KPIs. WORC told us this was their final report that year.

78. In addition, three WORC sections – Human Resources, Information Systems and Operations – did not have KPIs. Therefore, it is impossible to measure their performance. As stated in the **Strategic direction and legal framework** chapter, the leadership roles for these sections have been vacant, which may have contributed to the lack of KPIs.

¹⁴ See Forbes website: <https://www.forbes.com/sites/louismosca/2019/06/18/key-performance-indicators-101-why-theyre-important/?sh=6a36fec52652> (accessed 29 January 2024).

79. Exhibit 15 summarises WORC's KPIs that are directly related to improving employment prospects for Caymanians, and its performance against them in 2022. Appendix 4 provides details of these KPIs and WORC's performance against them.

Exhibit 15: Summary of WORC's KPIs that are directly related to improving employment prospects for Caymanians, and its performance against them in 2022

Section	Number of:			Number of targets:	
	KPIs	KPIs with targets	KPIs with no targets	Met	Not met
Customer Care	5	5	–	2	3
Employment Services	3	1	2	–	1
National Training and Development	6	–	6	–	–
Total	14	6	8	2	4

Source: OAG analysis of WORC's December 2022 monthly progress report.

80. The exhibit shows that WORC has 14 KPIs directly related to improving employment prospects for Caymanians. More than half (eight) of these do not have targets. Therefore, it is impossible to measure performance against them. Of the six KPIs with targets, WORC achieved only one-third (two). It is unclear whether WORC takes corrective action concerning performance against its KPIs. Most of the KPIs are not SMART, i.e. specific, measurable, achievable, relevant and time-bound.
81. In the **Strategic direction and legal framework** chapter, we highlighted that WORC does not yet have a strategy with KPIs but one is currently being developed. We encourage WORC to ensure that the KPIs developed are SMART and cover all aspects of its business.

WORC'S KEY PERFORMANCE INDICATORS MEASURE PROGRESS AGAINST ALMOST ALL OF ITS EMPLOYMENT PROSPECTS-RELATED OUTPUT TARGETS IN ITS BUDGET STATEMENTS

82. The Government prepares Budget Statements every two years. The statements include the outputs to be delivered by each ministry. In comparing WORC's KPIs with its output targets directly related to improving employment prospects for Caymanians in MBCL's Budget Statements, we noted that WORC's KPIs cover almost all these targets. Exhibit 16 assesses WORC's KPIs against its output targets directly related to improving employment prospects for Caymanians in the 2022–23 Budget Statements. The exhibit shows that WORC has KPIs covering seven of its eight output targets directly related to improving employment prospects for Caymanians.

Exhibit 16: Comparison of WORC’s KPIs and its output targets directly related to improving employment prospects for Caymanians in its 2022–23 Budget Statements

Output target	Do WORC’s KPIs cover the targets?
WOC 1 – Employment Services and Support	
Number of jobseeker encounters	<input checked="" type="checkbox"/>
Number of job vacancies processed	<input checked="" type="checkbox"/>
Number of training workshops (max. 12 participants per class)	<input checked="" type="checkbox"/>
Number of employment initiatives coordinated	<input checked="" type="checkbox"/>
Number of public awareness campaigns coordinated/delivered	<input checked="" type="checkbox"/>
Number of TVET Councils/Committees provided with guidance and support	<input checked="" type="checkbox"/>
WOC 2 – Labour Market Information and Strategic Research	
Number of data analyses or reports prepared on labour market and employment information	<input type="checkbox"/>
Number of Job Link portal users assisted (i.e. JobsCayman)	<input checked="" type="checkbox"/>

Source: OAG analysis of WORC 2023–23 Budget Statements and its December 2022 monthly progress report.

WORC DOES NOT MONITOR AND PUBLICLY REPORT ITS PERFORMANCE AGAINST OUTPUT TARGETS

83. WORC does not routinely monitor its progress against its output targets. In addition, MBCL’s annual reports do not clearly set out WORC’s performance against budget. For example, MBCL’s annual reports from 2019 to 2022 reported performance against some, but not all, of WORC’s output targets. MBCL tables its annual reports in Parliament but has yet to publish its annual reports from 2019 to 2022 on its website.
84. Of WORC’s 22 output measures in its 2022–23 Budget Statements, eight are directly related to improving employment prospects for Caymanians. However, WORC does not monitor its performance against these. For the purposes of the audit, we compiled data from WORC’s monthly output invoices to the Treasury department in the Ministry of Finance and Economic Development requesting output funding payments. Exhibit 17 shows WORC’s eight output targets that relate to improving employment prospects and its performance against these in 2022.
85. Our analysis shows that WORC met its output targets for half of these eight output targets in 2022. We noted that two of the output targets that were not met had unclear or unrealistic targets. It is unclear what the ‘Number of employment initiatives coordinated’ target means or is meant to measure. In addition, the output target of 200–300 training workshops annually is unrealistic considering that the workshops each run for four to six weeks. WORC would have to run four to six workshops every week to meet the target.

Exhibit 17: WORC's performance against its output targets directly related to improving employment prospects for Caymanians in 2022

Output target	Budgeted outputs	Actual outputs	Target achieved?
WOC 1 – Employment Services and Support			
Number of job vacancies processed	10,000–15,000	16,368	✓
Number of jobseeker encounters	1,500–2,000	1,141	✗
Number of training workshops (max. 12 participants per class)	200–300	41	✗
Number of employment initiatives coordinated	100–200	45	✗
Number of public awareness campaigns coordinated/delivered	20–30	33	✓
Number of TVET Councils/Committees provided with guidance and support	1–4	11	✓
WOC 2 – Labour Market Information and Strategic Research			
Number of data analyses or reports prepared on labour market and employment information	12–18	10	✗
Number of Job Link portal users assisted	2,420–3,780	2,510	✓

Source: OAG analysis of WORC's monthly output revenue invoices.

86. We previously recommended in December 2020 that the Government amend the budgeting framework to shift the focus from an output-based to an outcomes-based approach.¹⁵ In 2020, the Ministry of Finance and Economic Development committed to implementing an outcomes-based budgeting approach by March 2023. In February 2023, the ministry revised the planned implementation date to December 2025, almost three years later than initially planned. Therefore, MBCL's recent *Plan and Estimates*, covering the 2024 and 25 financial years, still focuses on outputs rather than outcomes. OAG will continue to follow up on the Government's progress in implementing the recommendation.

Recommendation 5: WORC should regularly monitor and publicly report on its performance against its output targets in MBCL's annual reports.

¹⁵ *Improving Financial Accountability and Transparency: Budgeting*, Office of the Auditor General, December 2020.

BARRIERS TO AND OPPORTUNITIES FOR IMPROVING EMPLOYMENT PROSPECTS

87. Economic and social issues are barriers to employment, and WORC cannot fix these alone. Some action has been taken to address these barriers, but more could be done, and some require a joined-up approach across the Government. This chapter assesses the barriers to and opportunities for improving employment prospects for Caymanians.

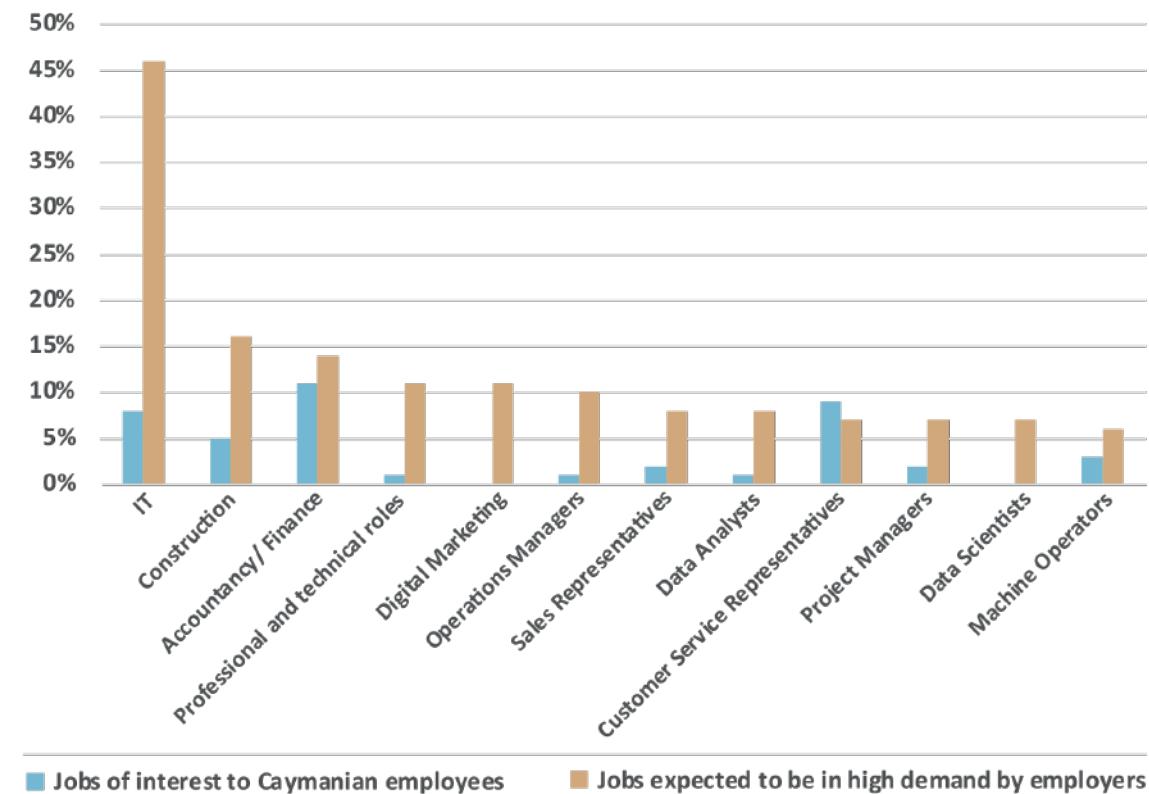
THERE IS A MISMATCH BETWEEN WHAT EMPLOYERS NEED AND THE JOBS CAYMANIANS WANT

88. On average, 68 per cent of unemployed Caymanians cited “no work available” as their main reason for unemployment between 2019 and 2023. None of the other possible reasons in the *Labour Force Survey* were cited by more than 10 per cent of respondents.¹⁶ As previously stated, the perceived lack of jobs is inconsistent with *Job Postings Reports* data. For example, there were about 796 unemployed Caymanians in Fall 2022. In the same year, about 19,700 jobs were advertised on JobsCayman.
89. The jobs that are in demand are changing, and there is a disconnect between the jobs employers expect there to be a high demand for and those that Caymanians are interested in. For example, a UCCI survey in 2023 indicated that Caymanians are not interested in IT-related fields, but employers expect these jobs to be in the highest demand in the future.¹⁷ Based on the study, 46 per cent of future jobs are expected to be in IT-related fields, but only 8 per cent of Caymanians were interested in these. Exhibit 18 compares the jobs employers expect there to be high demand for and those of interest to Caymanians, according to this study.

¹⁶ The Economics and Statistics Office’s Labour Force Survey reports from Fall 2019 to 2023.

¹⁷ *Cayman Islands (CI) Labour Market Assessment*, University College of the Cayman Islands, July 2023.

Exhibit 18: Comparison of jobs expected to be in high demand by employers and those of interest to Caymanian employees



Source: OAG analysis of data from the Cayman Islands (CI) Labour Market Assessment, UCCI, July 2023. Notes: The IT-related jobs cited in the survey were computer technicians/IT specialists, tech support, IT consultants, systems engineers, software engineers, software developers and web developers. The construction-related jobs cited in the survey were masons and carpenters.

90. Later in the report we highlight the need to improve career guidance programmes in schools. Comprehensive career guidance programmes would allow employers to give Caymanians the opportunity to better understand current and future in-demand jobs. If Caymanians cannot fill these in-demand jobs, employers will need to fill them with work permit holders or outsource them overseas.
91. In most developed economies, regular and comprehensive skills forecasts are now a common feature of systems designed to inform labour market participants about trends and developments they are likely to face. The forecasts help citizens prepare for the future by increasing their understanding of how the world is changing and what this may mean for the demand for and supply of skills. WORC does not prepare labour forecasts considering historical trends and future prospects by industry and sector over a 5- to 10-year horizon. Long-term forecasts would provide helpful

labour market information that could help to inform policy development and strategy around trending skills and careers for future employment.

Recommendation 6: WORC should forecast long-term labour force demands and publish the data to aid stakeholders' decision-making.

HAVING A COLLEGE OR UNIVERSITY DEGREE SIGNIFICANTLY IMPROVES CAYMANIANS' EMPLOYMENT PROSPECTS

92. Caymanians educated to high school diploma level or lower accounted for, on average, around 70 per cent of all unemployed Caymanians between 2019 and 2023. The percentage of unemployed Caymanians educated to high school diploma level or lower ranged between 60 and 79 per cent over the five years. Exhibit 19 shows unemployed Caymanians educated to high school diploma level or lower as a percentage of all unemployed Caymanians from Fall 2019 to Fall 2023.

Exhibit 19: Number and percentage of unemployed Caymanians educated to high school diploma level or lower

	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Number of unemployed Caymanians	1,200	1,759	1,804	796	1,143
Number of unemployed Caymanians educated to high school diploma level or lower	943	1,117	1,259	566	686
Percentage of unemployed Caymanians educated to high school diploma level or lower	79%	64%	70%	71%	60%

Source: OAG analysis of data from the Economics and Statistics Office's Labour Force Survey reports from 2019 to 2023.

93. The exhibit shows that 566 unemployed Caymanians were educated to high school diploma level or lower in 2022. High school diploma was the highest educational level for 460 of these people. Data from WORC shows that, in the same year, about 9,100 jobs requiring a high school or equivalent educational level were advertised on JobsCayman. This indicates that there were enough jobs for the people educated to high school level or lower. We could not analyse the same information from 2019 to 2022 because WORC only started collecting data about education requirements for advertised jobs in March 2022. About 600 jobs advertised in 2022 did not require any educational qualifications.
94. However, these jobs are low paid and may not, therefore, be attractive to Caymanians. WORC's December 2022 Job Postings Report shows that jobs requiring a high school diploma had the lowest average annual salary of about \$24,000. Jobs requiring an associate or university degree paid almost double and triple that amount, respectively. Data from WORC indicates that 4,900 out of 5,900, or

about 83 per cent, of all minimum wage jobs advertised between January 2020 and March 2023 required a high school diploma or lower as the minimum required qualification. In contrast, less than 1 per cent of these minimum-wage jobs needed a bachelor's degree. Therefore, obtaining a higher level of education results in higher earning potential for Caymanians and a higher likelihood of finding a job.

EDUCATIONAL ATTAINMENT IS A BARRIER TO EMPLOYMENT PROSPECTS FOR CAYMANIANS

95. WORC's July, August and September 2022 Job Postings Reports recommended that the level of educational attainment should be raised. Most students in public schools are Caymanian. Data from public schools shows that, in 2022, less than 40 per cent of Year 11 students achieved the national expected attainment standard of passing five or more subjects at Level 2, including English and Mathematics. Year 12 data for the same year shows that about 46 per cent of students attained the national expected attainment standard. Data for the most recent academic year 2022–2023 shows that educational attainment levels have improved. Exhibit 20 shows the number and percentage of students who achieved the national expected attainment standard between 2019 and 2023.

Exhibit 20: Number and percentage of students who achieved the expected national attainment standard at Year 11 and Year 12, 2019 to 2023

	2019	2020	2021	2022	2023
Year 11					
Cohort size	365	366	454	413	400
Number achieving 5+ Level 2 subjects (including English and Maths)	143	204	183	155	194
Percentage achieving 5+ Level 2 subjects (including English and Maths)	39%	56%	40%	38%	49%
Year 12					
Cohort size	397	359	365	459	421
Number achieving 5+ Level 2 subjects (including English and Maths)	188	193	232	209	238
Percentage achieving 5+ Level 2 subjects (including English and Maths)	47%	54%	64%	46%	57%

*Source: Data Reports for the Academic Years 2021–22 and 2022–23, Ministry of Education. Note *: The Cayman Islands is an examinations' Centre for multiple international examining boards, and is obligated to adhere strictly to the regulations and accommodations stipulated by each respective board. In 2020, the Cayman Islands likely experienced favourable outcomes due to the accommodations and adjustments implemented by these boards, likely contributing to improved results. In 2021, the Cayman Islands was presented with the option to partake in the examinations administered by the boards or to opt for the 'assessed grade' alternative. The Cayman Islands opted*

to sit examinations. As a result, the 2021 outcomes reflected a semblance of normalcy. It is important to acknowledge, however, that the lingering impact of the preceding year's performance inevitably influenced to some degree the overall cumulative performance for 2021. Information provided by the Ministry of Education.

CAREER GUIDANCE PROGRAMMES ARE IN PLACE, BUT THEY COULD BE IMPROVED

96. MoE provides career guidance to students from Years 9 to 11. It also runs career days covering resume (or CV) writing and interview preparation for Year 11 students, and offers individual support to students as needed. In addition:

- MoE uses Career Cruising software to support career guidance. Students can use the software to explore career and college options and develop a career plan.
- MoE's career services team circulates a yearly career guidance calendar covering all three high schools across the Cayman Islands and the Cayman Islands Further Education Centre. The career calendar sets dates during the academic year for student consultations, career fairs, resume building and mock interviews.
- Career advisors meet with Year 9 students before the students select subjects they want to study in Years 10 and 11. The career advisors also provide guidance and information on career options and which subjects are relevant to each career.

97. However, we noted the following:

- Career guidance is not mandatory. Therefore, students who opt out of the guidance may not have the information they need to make informed career choices.
- The career guidance calendar does not cover TVET-related opportunities. The guidance is focused mainly on "white collar" jobs.
- Career advice is not provided consistently to students across the three public high schools. For example, it is available to Clifton Hunter and John Gray High School students in Years 9 and 11 but only to Year 9 students at the Layman Scott High School.
- MoE does not have a career guidance policy for public schools. A well-documented policy would ensure schools give consistent and comprehensive guidance about career options to students.

Recommendation 7: The Ministry of Education should develop and implement a comprehensive career guidance policy that also covers TVET opportunities. The policy should be based on robust data and assumptions, and consider current and future labour market needs.

THE MINIMUM WAGE MAY BE A BARRIER TO EMPLOYMENT

98. We highlighted in the **Strategic direction and legal framework** chapter that the national basic minimum wage has not kept pace with inflation. We were told that the current minimum wage discourages Caymanians from seeking employment in some industries, for example tourism. We were also told that adverts for jobs with gratuity schemes are misleading because they offer low wages, but employees earn significantly more money from gratuities. However, most banks do not consider income from gratuities when assessing mortgage applications. This may deter interested Caymanians from working in the sector because they feel that it would diminish their chances of homeownership.
99. There is no data to prove or disprove these assertions. However, according to a September 2023 WORC report, *Minimum Wage Analysis*, the accommodation and food service activities industry, or tourism sector, accounted for more than half of the minimum-wage jobs advertised between January 2020 and March 2023. Exhibit 21 summarises this data.

Exhibit 21: Percentage of minimum-wage jobs advertised by sector from 2020 to March 2023

Industry	Number of jobs	Percentage of total jobs
Accommodation and food services	3,912	52%
Administrative and support services	1,525	20%
Wholesale and retail trade; vehicle and motorcycle repair	839	11%
Construction	423	6%
Other service activities	301	4%
Manufacturing	171	2%
Human health and social work	163	2%
Arts, entertainment and recreation	86	1%
Transportation and storage	59	1%
Agriculture, forestry and fishing	58	1%
Total	7,537	

Source: *Minimum Wage Analysis*, WORC, September 2023.

100. Exhibit 22 shows a high correlation between the industries that unemployed Caymanians would like to work in and those with the most work permits issued.¹⁸ For example, the construction, wholesale and retail (including vehicle and motorcycle repair), and tourism sectors employed almost 22,000 people in 2022. About 14,000, or 65 per cent, of these jobs were held by non-Caymanians. These three sectors are also of the highest interest to unemployed Caymanians – almost half (370 of 796) were interested in jobs in these sectors in 2022. It is unclear why these Caymanians could not find jobs in these sectors. In 2023, WORC held an expo showcasing careers in the construction industry.

Exhibit 22: Unemployed Caymanians by preferred industry and the number of work permits issued by industry in 2022

Industry	Total employed	Number of people employed in the industry			Unemployed Caymanians interested in the industry
		Caymanians	PR-WRW	Non-Caymanian	
Construction	8,827	2,405	723	5,699	141
Wholesale and retail; vehicle and motorcycle repair	7,201	2,564	261	4,376	88
Tourism	5,643	1,220	462	3,961	141
Professional, scientific and technical activities	5,200	2,104	864	2,232	53
Administrative and support services	4,136	778	161	3,197	35
Activities of households as employers	4,087	371	141	3,575	No data
Financial and insurance	4,024	2,352	341	1,331	35
Public administration and defence; compulsory social security	3,262	2,476	141	645	71
Human health and social work	2,835	1,255	181	1,399	35
Total	45,215	15,525	3,275	26,415	599

Source: OAG analysis of the data in the Cayman Islands' 2022 Compendium of Statistics, Economics and Statistics Office, July 2023. Notes: The tourism sector comprises the restaurants and mobile food services and accommodation categories in the compendium. The PR-WRW column refers to people with Permanent Residency (PR) or a Residency and Employment Rights Certificates (RERC) as defined in the Immigration Act.

¹⁸ Economics and Statistics Office data on the number of work permits and the number of non-Caymanians employed in each sector is inconsistent. However, all non-Caymanians who do not possess permanent residency or a right to work certificate need a work permit to be able to work.

101. About 19,700 jobs were advertised on JobsCayman in 2022. As stated above, there were 796 unemployed Caymanians in the same year. Therefore, significantly more jobs were advertised than the number of unemployed Caymanians. There is no data on why unemployed Caymanians could not take up some of these jobs. However, we noted that:

- about 17,000, or 86 per cent, of these jobs required at least two years of work experience as a prerequisite;
- 2,400, or 12 per cent, of the jobs required one to two years of experience; and
- 500, or under 3 per cent, required work experience of less than one year.

Therefore, lack of work experience may be a barrier to employment for Caymanians.

102. In the **Strategic direction and the legal framework** chapter, we highlighted that WORC requires employers to advertise all jobs on JobsCayman. Several stakeholders told us that some job adverts include unnecessary qualifications and experience requirements, which may discourage Caymanians from applying. WORC reviews and approves all adverts posted on JobsCayman but cannot legally reject them. WORC can reject work permit applications, but are not able to do so if Caymanians have not applied for a job advertised with unreasonable qualifications. Therefore, employers can legally get work permits for jobs advertised with unreasonable qualifications and skills expectations because Caymanians did not apply for them. WORC told us that it had refused over 18,000 work permits in the four years from 2019 to 2023. The numbers refused increased significantly in 2022 and 2023.

Recommendation 8: The Government should amend the Immigration Regulations to give WORC the mandate to reject job adverts with unreasonable requirements and require job adverts for gratuity and commission-based jobs to disclose at least 12 months of earnings.

THERE IS LIMITED DATA ON SOME BARRIERS TO IMPROVING EMPLOYMENT PROSPECTS

THERE IS LIMITED DATA ON THE IMPACT OF SOCIAL ISSUES ON EMPLOYMENT PROSPECTS FOR CAYMANIANS

103. We were told some of the leading social barriers to employment for Caymanians are a lack of affordable childcare for single mothers, or having a learning disability, a criminal conviction, mental health issues or a drug abuse problem. In a July 2023 UCCI survey, 7 per cent of respondents identified lack of childcare as the main reason for their unemployment.¹⁹ We could not find statistics

¹⁹ *Cayman Islands (CI) Labour Market Assessment*, University College of the Cayman Islands, July 2023.

about unemployment related to people with learning difficulties, a criminal conviction, mental health issues or a drug abuse problem.

104. Concerning lack of childcare, WORC provides stipends and assists those in need to register with MoE's childcare programme. However, we were told that MoE's childcare programme does not have enough spaces to meet demand. We could not find data to support this. Since 2021, WORC has partnered with six independent childcare institutions, spending about \$31,000 on childcare services to assist participants of its Ready2Work, TVET and Passport2Success training programmes. WORC's Passport2Success programme has had two single-parent cohorts, one in 2019 and the other in 2021. Seventeen individuals started the programme in 2019, but only 12 completed it. Five started the programme in 2021, but only one finished it.

105. WORC has also conducted programmes specifically for individuals with learning disabilities. For example, WORC's Passport2Success programme in 2019 included one cohort of people with learning disabilities. Nine individuals attended and completed this programme.

106. The civil service offers a Second Chances referral programme to train and assist Caymanians with past criminal convictions to get jobs. As previously stated, between 2019 and 2022, WORC referred 26 Caymanians to this programme resulting in 11 placements within the civil service. Eight of these people now have permanent jobs.²⁰

107. In 2022, WORC contracted a private training institution to conduct initial professional development and employment placement support for 10 unemployed Caymanians. According to the institution's training report, six participants finished the programme. However, the institution could not place five of these individuals in full-time employment because they failed their drug screening tests. This is concerning, but it is a small sample size that cannot be used to draw overall conclusions. The institution's report identified several challenges and recommendations. The institution recommended:

- pre-screening participants' conviction history and substance abuse and misuse so that training plans can be tailored;
- the timely payment of performance bonuses to participants;
- a one-time allowance for participants to cover lunch and transport; and
- a fully funded wellness programme to assist participants in managing their mental, emotional and physical health by contracting a therapist to provide individual and group therapy.

²⁰ The data reported for the Second Chance Programme is for 2019 to 2022 only. Since then, more people have obtained placements and permanent jobs in the civil service through the programme.

108. WORC told us that it had addressed the recommendations under the Ready2Work programme since June 2023. However, we were not provided with evidence of the changes made to the programme.

THERE IS LIMITED DATA ON OTHER BARRIERS TO IMPROVING EMPLOYMENT PROSPECTS FOR CAYMANIANS

109. Soft skills are general traits not specific to any job, helping employees excel in any workplace. They include communication, teamwork and adaptability skills. Soft skills are also known as transferable or interpersonal skills and are essential for professional success.²¹ Several private sector stakeholders told us more emphasis on training in soft skills is needed. We could not find data to back this up, but, in a recent UCCI survey, 16 per cent of respondents said they did not meet the requirements for their jobs of interest. Of these, more than 40 per cent said they needed training in communication skills, critical thinking, problem-solving and resolution, and time management. Less than 13 per cent felt that they needed specific technical job skills.²²

110. We were told that some Caymanians struggle to attend work or training programmes because of the limited public transport system. WORC provides transport stipends for participants in some, but not all, of its training programmes.

111. We were also told that a lack of access to the internet is a barrier to employment for Caymanians who want to apply for jobs. There is no data to support this assertion. Data from the 2021 census shows that only about 7 per cent, or 1,800 out of 27,000 households, do not have internet access.

Recommendation 9: The Government should regularly conduct studies on the causes of unemployment among Caymanians and take corrective action as needed.

A NATIONAL EMPLOYMENT POLICY IS NEEDED

112. Many public and private sector bodies are involved in improving employment prospects for Caymanians because it requires a holistic approach, and WORC cannot do it alone. As stated in the **Strategic direction and legal framework** chapter, there is no overarching strategy to improve employment prospects for Caymanians. In addition, WORC does not have a stakeholder engagement strategy identifying the key stakeholders in improving employment prospects and how it will collaborate with them. For these reasons, there is not a joined-up approach across the Government aimed at improving employment prospects for Caymanians. We previously identified the entities

²¹ See Workable website: <https://resources.workable.com/hr-terms/what-are-soft-skills> (accessed 27 February 2024).

²² *Cayman Islands (CI) Labour Market Assessment*, University College of the Cayman Islands, July 2023.

that WORC collaborates with in Exhibit 3. Exhibit 23 identifies gaps in the collaborations and some areas for further cooperation.

Exhibit 23: Some entities that WORC collaborates with, gaps in collaborations and potential areas for further cooperation

Entity	Gaps in collaboration and potential areas for further cooperation
Ministry of Education (MoE)	MoE and WORC do not collaborate in promoting TVET in schools or identifying the required TVET skills in the labour market. In addition, it is unclear whether WORC uses attainment data from MoE to guide its training and development programmes. It is also unclear whether MoE uses information from WORC and others to tailor the education syllabus and its career guidance programmes.
Needs Assessment Unit (NAU)	NAU requires recipients of financial assistance to register with WORC. We were told that most only do so for compliance reasons. WORC and NAU do not share outcomes data on the financial aid recipients that NAU refers to WORC for job placement and training. Therefore, it is difficult to determine whether WORC training programmes are effective in helping NAU clients find employment, thereby saving resources for other government social programmes.
Portfolio of the Civil Service (PoCS)	PoCS could collaborate with WORC to identify internship opportunities within the public sector.
Private companies and registered private TVET institutions	Proactive collaboration between WORC and the private sector could help WORC identify training needs in the industry and how to upskill Caymanians for current and future labour market needs. Supported by robust contract monitoring mechanisms, these entities could more effectively undertake training programmes on behalf of WORC.
Scholarship Secretariat	WORC and the Scholarship Secretariat do not share data on scholarship beneficiaries and graduates, citing the Data Protection Act (2021 Revision). Therefore, WORC cannot assist in getting the beneficiaries and graduates job placements and internships or consider this pool of qualified Caymanians when awarding work permits. The Scholarship Unit could use WORC's employment and labour market assessment data to assess whether the scholarships that Caymanians apply for are consistent with labour force demands. The Scholarship Unit could also use employment data from WORC to evaluate the effectiveness of the scholarship programme; for example, the outcomes of scholarship recipients, i.e. whether the courses undertaken led to employment.
University College of the Cayman Islands (UCCI)	In 2022, UCCI delivered WORC's TVET Training – Craft Skills programme, which will go on until 2024. However, the programme has a high dropout rate. WORC data indicates that 21 people applied for the programme, and 15 were accepted. Of the 15, only 10 started the programme, five of whom have since withdrawn. We did not identify any duplication between training programmes run by WORC and UCCI. However, there is scope for more collaboration. For example, supported by robust contract monitoring mechanisms, UCCI could more effectively undertake training programmes on behalf of WORC. UCCI does not share data on its graduates with WORC. Therefore, WORC cannot assist in getting these graduates job placements and internships or consider this pool of qualified Caymanians when awarding work permits.

Source: OAG analysis and inquiries with stakeholders.

113. The exhibit shows that more could be done to ensure a joined-up approach across the Government aimed at improving employment prospects for Caymanians. Although many entities are involved in improving employment prospects, they work in silos. In addition, more could be done to address the barriers to and take advantage of the opportunities for improving employment prospects for Caymanians. As reported earlier, the Government does not have a national employment policy.

114. The International Labour Office (ILO) highlights the need for integrated employment policies adapted to local conditions and contexts.²³ National employment policies should be pursued by governments to address identified challenges and opportunities. ILO states that a national employment policy should be a concerted and coherent vision of a country's employment objectives and ways to achieve them, and should include the following:

- Goals and objectives, institutional arrangements and accountability systems to manage policy implementation, evaluate results and manage performance.
- A plan of what to do based on a common agreement reached by all interested parties.
- Outcomes and outputs, SMART targets and indicators, a work plan with a clear distribution of responsibilities and a detailed budget.
- Consideration of the demand and supply of labour.

115. ILO guidance states that the ministry in charge of employment should play a central coordination role, advocate for the promotion of decent employment and ensure the good functioning of the labour market. The policy should be implemented through an employment action plan or strategy. It also states that such a policy could be a means of getting the main stakeholders together, raising public awareness of certain critical issues, agreeing on priority action and assigning responsibilities; and provide a means to consider the views of workers and employers' organisations and to enlist their support. Exhibit 6 in this report highlights elements of good practice for strategic plans or policies.

Recommendation 10: The Government should develop and adopt a national employment policy. The policy should be based on robust data and assumptions, and align with international good practice.

²³ *Guide for the Formulation of National Employment Policies*, International Labour Office, 2012.

CONCLUSION

116. The unemployment rate for Caymanians between 2019 and 2023 ranged from 3.6 per cent to a peak of 8.5 per cent during the COVID-19 pandemic. The global definition of ‘full employment’ set by the International Labour Organization, is to have unemployment levels of between 3 and 6 per cent of the labour force. With the exception of the two years of the COVID-19 pandemic, the unemployment rate for Caymanians met and continues to meet the global definition of full employment. The most recent employment statistics show that the number of unemployed Caymanians was 1,143 people, equivalent to 5.0 per cent of the population, in Fall 2023. While the 2023 unemployment rate for Caymanians increased on the previous year, it is less than the pre-pandemic rate of 5.6 per cent in 2019.
117. The Government established Workforce Opportunities and Residency Cayman (WORC) in February 2019. One of the Government’s stated aims in creating WORC was to achieve full Caymanian employment. WORC has a key role in achieving this aim but it cannot do this alone. Many public and private sector bodies must play a part in improving employment prospects for Caymanians to create a more joined-up approach.
118. In May 2020, WORC launched its online jobs portal, JobsCayman. All employers, except the civil service, are required to advertise jobs on this portal. It is pleasing to note that use of the portal has increased over time. By the end of 2022, about 9,200 employers were registered. Between its launch and the end of 2022, over 41,000 jobs had been advertised on the portal and around 128,000 job applications made. However, less than half of unemployed Caymanians had registered with WORC to find job. I also note that employers and jobseekers have experienced problems with the portal. The portal is not user-friendly, is not optimised for mobile viewing, is difficult to search, and has some technical glitches, which mean that sometimes it does not work. I understand that there are plans to upgrade the system. This is an essential online service for employers and jobseekers. I encourage WORC and the Ministry of Border Control, Labour and Culture to complete the upgrade urgently.
119. Between 2019 and 2023, the Government spent around to \$144 million on improving employment prospects for Caymanians. The largest element relates to expenditure for further and tertiary education, including scholarships, bursaries and courses at the University College of the Cayman Islands and the University of the West Indies. It also includes expenditure by WORC and other public bodies on delivering employment programmes, training and apprenticeships. However, the effectiveness of the employment programmes is unclear. The average completion rate of all programmes is 83 per cent, which is good but varies by programme. However, only 43 per cent of applicants are accepted onto programmes, indicating that there are insufficient places available. In particular, only 10 per cent of people applying to be apprentices are accepted. In addition, an

average of 22 per cent of applicants drop out of the programmes after they have accepted their place. It is unclear why so many people drop out of programmes.

120. I am pleased to note a greater focus on technical and vocational education and training (TVET). This is welcome as not everyone wants to, or is able to, continue with higher education. Many of these jobs are highly-skilled and in demand, as we can see from the construction sector, for example. The Ministry of Education developed a TVET framework in 2022, the number of TVET programmes has increased and the access to funding for TVET programmes has improved. However, more can be done. For example, careers guidance in schools does not cover TVET-related opportunities.
121. There are a range of barriers to employment that need to be addressed. Significantly, there is a mismatch between what employers need and what job seekers want. A recent survey shows that Cayman employers expect almost half of future jobs to be IT-related. Such jobs are in demand world-wide. However, only 8 per cent of Caymanians are interested in these jobs. We noted other barriers concerning educational attainment, career guidance and the minimum wage. For example, in 2022, around 70 per cent of unemployed Caymanians had a high school diploma or lower. However, in that year over 9,100 jobs were advertised that required a high school diploma or equivalent. So, there were enough jobs available but as most were low paying they may not have been sufficiently attractive to those unemployed. Addressing the barriers will require a holistic and long-term approach. Therefore, I recommend that the Government develop a national employment policy that is based on robust data and assumptions and that WORC should forecast long-term labour demands.
122. The assistance and cooperation we received from officials in the government and private sector in all phases of the audit is gratefully acknowledged. Without their help, the audit could not have been completed.



Sue Winspear, CPFA
Auditor General
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27th May 2024

APPENDIX 1 – ABOUT THE AUDIT

1. This appendix provides a summary of the audit objective, questions, criteria and approach.

OBJECTIVE

2. The objective of the audit was to assess WORC’s efficiency and effectiveness in improving employment prospects for Caymanians. Improving employment prospects requires a joined-up approach across the Government. Therefore, the audit also considered contributions from other public sector entities where relevant. The audit sought to answer the following questions:
 - Does the Government have a clear and effective strategic direction for improving employment prospects for Caymanians?
 - How effective have WORC and the Government been at removing barriers to employment and improving employment opportunities for Caymanians?
 - How effective has WORC been in improving employment prospects for Caymanians?

CRITERIA

3. Audit criteria set out the expectations or standards against which an audit can assess observed performance to develop findings, make recommendations as appropriate and conclude on audit objectives.
4. We developed 12 audit criteria for the audit. These criteria are based on international good practice and the requirements of Cayman Islands’ legislation. The audit criteria are as follows:
 1. There is a clear and evidence-based strategy for improving employment prospects for Caymanians.
 2. The legislative framework for improving employment prospects for Caymanians is well designed.
 3. The Government has a set of clear and evidence-based policies to improve employment prospects for Caymanians.
 4. WORC’s strategy is clearly aligned with government policies and the legislative framework for improving employment prospects.
 5. The Government has a good understanding of the barriers to employment for Caymanians.
 6. The Government has a good understanding of the opportunities for improving employment prospects for Caymanians.
 7. WORC uses its resources effectively to achieve its objectives.
 8. The JobsCayman portal is effective in improving employment prospects for Caymanians.
 9. WORC uses data effectively to inform its decisions.
 10. WORC collaborates effectively with other stakeholders to improve employment prospects for Caymanians.

11. WORC met its strategic objectives, functions, output targets and Key Performance Indicators between 2019 and 2022.
12. WORC monitors and reports its performance effectively.

AUDIT SCOPE AND APPROACH

5. The audit covered WORC's strategic direction, legislative framework and use of resources to improve employment prospects for Caymanians from 2019 to 2022. We used 2023 data and information where relevant. The audit did not cover the process for awarding work permits, Caymanian status and permanent residency.
6. The audit, conducted in line with International Standards of Supreme Audit Institutions standards, drew on a range of evidence to inform our findings and conclusions. The evidence included:
 - Interviewing key stakeholders, including MBCL's Chief Officer, WORC's Director and senior officials at public and private sector entities involved in improving employment prospects for Caymanians.
 - Reviewing legislation, budget documents, financial statements and reports, non-financial reports, and information on staffing.
 - Analysing and recalculating financial and performance information.
 - Comparing the frameworks, processes and practices in use against good practice.
 - Analysing audit evidence and assessing it against agreed criteria to develop findings, conclusions and recommendations.
 - Providing a draft report to MBCL and WORC officials so they could review its factual accuracy and respond to the report's recommendations (see Appendix 2).
 - Presenting a final report about the audit to Parliament.

AUDIT STAFF

7. The audit was carried out under the direction of Angela Cullen, Deputy Auditor General (Performance Audit), assisted by Adrian Murenzi, Audit Manager (Performance Audit), Innocent Mbaguta (Audit Project Leader) and Andrew Browning (Professional Audit Trainee).

APPENDIX 2 – RECOMMENDATIONS

Recommendation	Management response	Responsibility	Date of planned implementation
1. The Ministry of Education should update its TVET framework to align with good practice.	<p>Recommendation accepted. MOE commits to:</p> <ul style="list-style-type: none"> • conducting additional research to: <ul style="list-style-type: none"> ○ Identify changes in the TVET landscape. ○ Changes in the labour market with regards to TVET. ○ Assess the TVET skills required now and in the future against the actions planned in the strategy. ○ Identify the priority TVET skills. ○ How MoE will overcome barriers to successful implementation of the framework. • Updating the TVET framework to include: <ul style="list-style-type: none"> ○ The research findings stated above. ○ Conduct a stakeholder analysis and produce a plan to effectively engage them. ○ The funding requirements needed for successful implementation. ○ Success measures against which progress will be measured and outcomes. 	Education Strategy Officer	December 2024
2. WORC should collect outcomes data on unemployed Caymanians who have registered with it. WORC should regularly monitor and use the data to improve its employment services.	<p>Recommendation accepted. WORC commits to:</p> <p>Enhancing current data recorded by WORC measuring specific outcomes as it relates to training cohorts, program services and extended assistance services offered to unemployed Caymanians registered.</p>	Deputy Director Labour Needs and Supply.	December 2024

Recommendation	Management response	Responsibility	Date of planned implementation
3. WORC should collect outputs and outcomes data for all its employability programmes and use it to evaluate the programmes.	Recommendation accepted. WORC commits to: Enhancing current reporting of outputs and outcomes data for all employability programmes to effectively evaluate the programmes' success.	Deputy Director of Labour Needs and Supply	December 2024
4. WORC and the Ministry of Education should ensure that all outsourced employability programmes are supported by robust contracts or purchase agreements to ensure that programme outcomes are clearly stated. WORC and MoE should also ensure they have robust contract monitoring arrangements in place to ensure programme outcomes can be tracked.	Recommendation accepted. WORC commits to: Ensuring that all outsourced employability programmes continue to be supported by robust contracts or purchase agreements ensuring contract monitoring arrangements are robust enabling clear assessments of intended outcomes. Ministry of Education - Recommendation accepted. The Ministry of Education (MoE) acknowledges the concerns raised in Recommendation 4 of the report relating to the grant provided to Superior Auto for the mechanic training programme. The Ministry intends to formalize the grant process through a Purchase Agreement to ensure better monitoring and accountability of the programme outcomes.	Deputy Director Labour Needs and Supply Deputy Chief Office (Acting)	December 2024 September 2024
5. WORC should regularly monitor and publicly report on its performance against its output targets in MBCL's annual reports.	Recommendation accepted. WORC commits to: Enhancing its model of monitoring and reporting of performance specific to output targets within the MBCL's annual reports. Annually WORC provides data to MBCL monthly on targets as well as annually but do recognize that some of the mentioned targets within the report may not be reported and will ensure this is captured moving forward.	Director of WORC	January 2025

Recommendation	Management response	Responsibility	Date of planned implementation
6. WORC should forecast long-term labour force demands and publish the data to aid stakeholders' decision-making.	<p>Recommendation accepted. WORC commits to:</p> <ul style="list-style-type: none"> Completing the build out of our Labour Market Unit supported by key roles e.g. Labour Market Manager, Industry Partner Analyst and Employer Accreditation Analyst enhancing greater partnerships. Enhancing publication and sharing of current Labour Market Assessment Reports focused on long-term forecasting with key stakeholders. Presently the Unit reports are shared with stakeholders such as the Scholarship Secretariat, C.I. Chamber of Commerce, Immigration Boards and other parties who have requested it. It is also now available on our website. 	<p>Deputy Director Labour Needs and Supply</p> <p>Deputy Director Labour Needs and Supply</p>	January 2025 December 2024
7. The Ministry of Education should develop and implement a comprehensive career guidance policy that also covers TVET opportunities. The policy should be based on robust data and assumptions, and consider current and future labour market needs.	<p>Recommendation accepted.</p> <p>A comprehensive Career Guidance Policy will be produced.</p>	Deputy Chief Officer for Compulsory Education (Acting)	September 2024
8. The Government should amend the Immigration Regulations to give WORC the mandate to reject job adverts with unreasonable requirements and require job adverts for gratuity and commission-based jobs to disclose at least 12 months of earnings.	The Ministry of BCL recognises the significance to maintaining standards that align with promoting equal opportunities for all persons. We will meet with the Minister and other key stakeholders to determine how best to amend the legislative framework and enhance immigration policies with respect to job advertisements to further promote transparency and fairness in the recruitment process.	Ministry BCL&C and WORC	Given the Ministry's current priorities and that half of the current budget year has passed, a realistic timeframe to engage in this

Recommendation	Management response	Responsibility	Date of planned implementation
			process would be fourth quarter of 2025.
9. The Government should regularly conduct studies on the causes of unemployment among Caymanians and take corrective action as needed.	The Ministry agrees that understanding the underlying factors contributing to unemployment is crucial for developing targeted and effective interventions and programs aimed at addressing the root causes of unemployment. However, this would require a cross-ministerial/holistic approach to ensure that agencies with the legal mandate and resources are involved in the process. Furthermore, the Ministry believes such studies would form part of a national employment policy as recommended below to ensure access to information and expertise that rests across multiple agencies.	Ministry BCL&C and WORC	Given the Ministry and other key stakeholders current priorities and that half of the current budget year has passed, a realistic timeframe to engage in this process would be fourth quarter of 2025.
10. The Government should develop and adopt a national employment policy. The policy should be based on robust data and assumptions, and align with international good practice.	The Ministry recognises the importance of establishing a comprehensive framework to guide employment initiatives aligning with Government's priorities. The Ministry also acknowledges the necessity of leveraging reliable data and evidence-based assumptions to formulate national policies that seek to effectively address the evolving needs of Cayman's workforce and economy. The work conducted by the MWAC has highlighted concerns, gaps and will lend well to assisting with commencing the process. Therefore, the Ministry will continue to engage with the respective agencies and experts to gather and analyse appropriate data to inform our next steps in developing a national employment policy.	Ministry BCL&C and WORC	Given the Ministry and other key stakeholders current priorities and that half of the current budget year has passed, a realistic timeframe to engage in this process would be fourth quarter of 2025.

APPENDIX 3 – OUTPUTS DATA FOR WORC’S EMPLOYABILITY PROGRAMMES

Programme	2019 to 2022 participants			2022 participants only						
	Attended	Completed	Completion rate	Applied	Accepted	Started	Finished	Acceptance rate	Dropout rate after acceptance	Completion rate
Passport2Success	146	110	75%	53	35	28	17	66%	20%	61%
National Internship Programme	21	17	81%	1	1	1	1	100%	0%	100%
National Apprenticeship Programme	25	23	92%	188	17	16	15	9%	6%	94%
Ready2Work KY	318	256	81%	338	116	93	69	34%	20%	74%
Second Chances Programme	11	8	73%	3	1	1	0	33%	100%	0%
TVET	158	130	82%	204	130	108	81	64%	17%	75%
Specialised training and industry certifications	328	293	89%	263	149	102	73	57%	32%	72%
Total	1,007	837	83%	1,050	449	349	256	43%	26%	73%

APPENDIX 4 – WORC’S PERFORMANCE AGAINST ITS KEY PERFORMANCE INDICATORS THAT ARE DIRECTLY RELATED TO IMPROVING EMPLOYMENT PROSPECTS FOR CAYMANIANS IN 2022

Department	KPI	Target	Performance	OAG assessment
Customer Care	1 Applications	25 per customer care officer	32 per customer care officer	
	2 Email	48 hours	36 hours	
	3 JobsCayman	3 business days	3.5 business days	
	4 HappyOrNot	90%	73%	
	5 Call handle rate	95%	66%	
National Training and Development	6 Number of participants engaged in the employment programme: Passport2Success	No targets	No data	No data or targets
	7 Number of participants engaged in the employment programme: Ready2Work	No targets	No data	No data or targets
	8 Number of people engaged in general training to date	No targets	No data	No data or targets
	9 Number of people placed in internship opportunities	No targets	No data	No data or targets
	10 Number of people placed in apprenticeship opportunities	No targets	No data	No data or targets
	11 Special projects	No targets	No data	No data or targets
Employment Services	12 Number of skills assessments completed each month	30 per week	3 out of 78	
	13 Number of jobseekers referred for jobs	No targets	50 out of 1,079	No targets
	14 Number of jobseekers successfully placed in jobs	No targets	2 out of 78	No targets

Source: OAG analysis of WORC monthly progress reports 2022.

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