

Internal Audit Report

PORT AUTHORITY OF THE CAYMAN ISLANDS

HUMAN RESOURCES REVIEW

Audit Reference 2018-SI5

JUNE 2018



INTERNAL
AUDIT SERVICE

CAYMAN ISLANDS GOVERNMENT

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SECTION I. EXECUTIVE SUMMARY

1. Introduction

- 1.1. The Chief Officers of the Portfolio of the Civil Service and District Administration, Tourism & Transport along with the Chairman of the Board for the Port Authority of the Cayman Islands (PACI) requested that an independent review be conducted concerning a complaint filed with the Deputy Director & Chief Human Resources Officer of PACI. The complaint, listing 21 references of misconduct and their effect, against a male senior member of staff at PACI dated May 11th, 2018 was signed by nine female employees of PACI.
- 1.2. The Internal Audit Service (IAS) has completed this review in relation to the following agreed objectives:
 - To determine the validity of the complaint.
 - To determine the extent to which the 21 issues apply to each of the complainants.
 - To identify the events leading up to the filing of the complaint.

2. Audit Scope

- 2.1. The scope was limited to the complaint signed by nine staff members of PACI on the 11th May, 2018.

3. Audit Limitation

- 3.1. IAS did not encounter any limitations in the conduct of this review. All requested documents and interview requests were met in a timely manner. IAS would like to recognize the support and assistance provided to the investigators throughout the review.

4. Audit Methodology

- 4.1. IAS utilized a standard audit approach by undertaking the following steps during the review:
 - Interviews were held with all key stakeholders.
 - Individual statements were obtained by the nine signatories to the complaint.
 - A review of the human resources files of all affected parties was conducted.

5. Our Audit Conclusion

5.1. The IAS concludes, based on the work undertaken and the evidence reviewed, that:

The complaint in its original form lacks merit and is found to be unsubstantiated. The review did however yield a subset of legitimate behavioral issues which need to be addressed. This subset of issues does not constitute sexual harassment.

The manner in which the complaint originated and the intent of the complaint is suspect. This is in part due to a Freedom of Information Request inquiring about any incidences of sexual harassment issues at the Port being received the day prior to this complaint.

The lack of employee awareness regarding the manner in which to raise and communicate issues of a sensitive and personal nature coupled with management's failure to address such issues have contributed to an unhealthy work environment.

5.2. In addition to our overall conclusion above which is intended to inform Management action, we have made a total of three recommendations to enhance the work environment.



Andy Bonner
Director, Internal Audit Service

SECTION II. RECOMMENDATIONS

Control Area	Finding & Consequence	Recommendation	Management Responses
HIGH PRIORITY RECOMMENDATIONS			
Integrity and Ethical Values	<p>Behavioral Issues The subset of behavioral issues along with additional comments relate to behavior not suitable to the work place. The senior member of staff was not made aware that these residual behavioral issues were having a negative impact.</p> <p>If left unaddressed these behaviors could continue and staff will continue to feel uncomfortable in the workplace.</p>	<p>Recommendation 1 PACI mandate that the senior member of staff undergo sensitivity training to address the residual behavioral issues and that PACI implement a monitoring program to provide assurance the behavior has been corrected.</p>	<p>Recommendation Accepted Yes</p> <p>Recommendation Owner: <i>Director of PACI</i></p> <p>Target implementation: <i>July 31, 2018</i></p>
Establishes structure, authority and responsibility	<p>Training Management was unaware of how to deal with the complaint. Confusion exists as to which policy framework is applicable in these situations. Staff lacks the necessary trust and confidence in Management that they will adequately address sensitive issues in an effective and timely manner. As a result staff are not raising issues which has the potential of permitting inappropriate behavior to continue.</p> <p>This apparent lack of trust and inaction leads to an environment which is not conducive to a healthy work place in which problems accumulate and staff becomes demoralized.</p>	<p>Recommendation 2 All managers, supervisors and staff undergo appropriate training such as Resolving Workplace Conflict, Sexual Harassment and the effective and appropriate manner in which to raise issues in a timely fashion.</p>	<p>Recommendation Accepted? Yes</p> <p>Recommendation Owner: <i>Director of PACI</i></p> <p>Target implementation: <i>October 31, 2018</i></p>

Control Area	Finding & Consequence	Recommendation	Management Responses
<p>Deploys through policies and procedures</p>	<p>Policies, Procedures and Communication Confusion existed as to the appropriate policy framework to use to guide management in addressing the complaint. The Employee Handbook has not been updated for a number of years.</p> <p>The lack of clear guidelines may inhibit concerns being raised to management, and management may not be aware of the appropriate course of action to address said concerns.</p>	<p>Recommendation 3</p> <p>The Employee Handbook be updated, approved by the Board of Directors, reissued and communicated to all personnel. Focus should be given to addressing a policy on harassment.</p> <p>As part of the communication strategy the revised policies should form part of the training recommended in #2 above.</p>	<p>Recommendation Accepted? Yes</p> <p>Recommendation Owner: <i>Director of PACI</i></p> <p>Target implementation July 31, 2018</p>



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