

## **Recommendations Provided by the OAG, with Response from the Director of the CBC:**

Recommendation	Management Response	Responsibility	Date of planned implementation
<p>1. Customs and Border Control should develop a strategic plan as soon as possible. The plan could build on the Customs Department's Business Process Document and should ensure that it captures all of the relevant activities of both predecessor organisations.</p>	<p><b>Management Response :</b> We agree with and accept this recommendation. During the audit we advised the Office of the Auditor General that we had plans in late 2017 and early 2018 to develop and roll out a Customs Department Strategic Plan. However, that plan was overtaken by the announcement in early 2018 of the policy to merge our Customs and Immigration departments. We took the decision at that point that it was prudent to postpone the development of a Strategic Plan and instead focus on preparing for the merger on the 1<sup>st</sup> January 2019. Once we were clear on the responsibilities, focus and composition of the new agency, we could then develop a meaningful Strategic Plan for our new agency. We expect to have a CBC Strategic Plan in place in 2019.</p>	<p>Director of Customs and Border Control.</p>	<p>2019</p>
<p>2. Customs and Border Control should develop and implement a range of performance measures that cover inputs, outputs and outcomes and that allow it to determine whether strategic goals are being met.</p>	<p><b>Management Response:</b> We agree with this recommendation. Unfortunately, this problem is not unique to the Customs Department and work is underway across government to improve our systems for measuring performance and therefore improve planning and business decisions.</p>	<p>Director of Customs and Border Control and the Senior Management Team</p>	<p>2020 - 2021</p>

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<p>3. Customs and Border Control should develop a workforce plan that aligns with its strategic priorities and demonstrates how it will address existing pressures on the workforce and anticipate future needs.</p>	<p><b>Management Response:</b> We accept this recommendation. The Caribbean Customs Law Enforcement Council is working on an IT based Human Resources Management System that will assist all member countries, including the Cayman Islands, with improving the management and deployment of our workforce. This new programme will be reviewed and hopefully adopted by member countries at our annual conference in Havana Cuba in May this year.</p>	<p>Director of Customs and Border Control</p>	<p>2020</p>
<p>4. Customs and Border Control should develop a HR database to ensure that it has easy access to comprehensive data on staff qualifications and training needs.</p>	<p><b>Management Response:</b> We accept this recommendation. As mentioned under Recommendation No 3, the Caribbean Customs Law Enforcement Council is working on an IT based Human Resources Management System that will assist all member countries, including the Cayman Islands, with improving the management and deployment of our workforce. This new programme will be reviewed and hopefully adopted by member countries at our annual conference in Havana Cuba in May this year.</p>	<p>Director of Customs and Border Control</p>	<p>2020</p>
<p>5. Customs and Border Control should review its training and development needs and ensure that staff are sufficiently trained in profiling, customer service, data analysis and post-clearance audit.</p>	<p><b>Management Response:</b> We accept this recommendation. Moreover, Post Auditing is now a Unit in the new CBC Organisational Structure which was shared with the Office of the Auditor General during the audit. The</p>	<p>Director of Customs and Border Control and the Senior Management Team</p>	<p>2019 – 2022</p>

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	development and staffing of this new unit will commence in 2019.		
6. Customs and Border Control should strengthen its integrity management by ensuring Workplace Rules include direction on staff purchase of government property, especially seized or forfeited goods, there is effective and regular rotation of staff, and by adding financial stability of CBC Officers to its annual vetting process.	<b>Management Response:</b> We accept this recommendation and will commence implementation in 2019. The proper and effective rotation of staff has been constrained by a number of legacy issues including the following : Customs was traditionally focused on revenue collection with insufficient staff trained in border control and enforcement duties; and, medical issues which were never properly addressed by medical boards and these issues prevented some staff from performing enforcement related duties.	Director of Customs and Border Control	2019
7. Customs and Border Control should ensure that effective project management is put in place for the remainder of the IT modernisation project. This should include an updated plan that meets the needs of the new organisation; training and human resource requirements; monitoring of costs and timescales against budget; and adequate stakeholder involvement to ensure that user needs are built in to the IT system.	<b>Management Response:</b> We accept this recommendation and, subject to funding, will employ a Project Manager asap to take over those responsibilities from the CBC's Deputy Director of Trade and Revenue.	Director of Customs and Border Control	2019
8. The Ministry of Finance and Economic Development's Revenue	<b>Management Response:</b> We support the proposed action on this	Ministry of Finance and Economic Development.	

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Unit should ensure that its process for preparing the revenue budget includes reasonable forecast and assumptions and that these are documented to provide an adequate audit trail for changes, review, discussions (including with Customs and Border Control) and approval.	recommendation by the Ministry of Finance and Economic Development.		
9. The Ministry of Finance should develop a formal, comprehensive concession policy and procedures that sets out consistent roles, responsibilities and accountabilities and includes criteria for the assessment of concession requests.	<b>Management Response:</b> The Customs Department was supporting the Ministry of Finance and Economic Development with the formulation of a comprehensive concession policy . CBC will continue this support until this objective is achieved.	Ministry of Finance and Economic Development.	
10. The Ministry of Finance and Economic Development should ensure that approval letters awarding concessions clearly specify the total value of concession awarded, types of goods covered by the concession, expiration date, any secondary beneficiaries to be covered by the concession, and any related conditions.			
11. The Ministry of Finance and Economic Development should ensure that approved concessions			

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are validated, monitored and reported upon, including the cumulative value of imported goods against the total value of the concession awarded, site visits for concession applications to validate the assertions in the request and to enhance compliance, and any conditions attached to approved concessions.			
12. Customs and Border Control should develop an approach to ensure that it can monitor concessions effectively.	<b>Management Response:</b> As mentioned under recommendation No. 9, the Customs Department was supporting the Ministry of Finance and Economic Development with the formulation of a comprehensive concession policy . CBC will continue this support until that objective is achieved and recommendation No 12 will be addressed during that process.	Director of Customs and Border Control	2019
13. The Ministry of Finance should determine if there is a “tax gap”, and should take appropriate actions to close any such gap.			
14. Customs and Border Control should ensure that it has appropriate systems and processes in place to capture, analyse and use intelligence effectively.	<b>Management Response:</b>  We agree. As CBC continues its transformation from the traditional gate keepers approach to an intelligence-led risk management organization, it will continually refine its business processes, intelligence		

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	and risk-based strategies using a variety of techniques, technology, training and development in order to provide the best means of identifying and addressing threats at the earliest possible point		
15. The Cabinet should bring in to force the Advance Passenger Information Law, 2018 as soon as possible.			
16. Customs and Border Control should reallocate staffing to ensure that high-risk areas are sufficiently resourced.	<b>Management Response:</b> This is already being done within the confines of limited resources and available funding for new staff.	Director of Customs and Border Control	Ongoing