



CAYMAN ISLANDS

2009 Session of the

LEGISLATIVE ASSEMBLY

REPORT

of the

STANDING

PUBLIC ACCOUNTS COMMITTEE

**on the Special Report of the Auditor General on Pedro St. James –
Review of Gasoline Charges for July 2003 to April 2007**

Summary Report

Laid on the Table of Legislative Assembly on this 25th day of March 2010

TABLE OF CONTENTS

1.	REFERENCE.....	3
2.	PAPER CONSIDERED	3
3.	CHAIRMAN AND MEMBERS OF THE COMMITTEE.....	3
4.	MEETINGS OF THE COMMITTEE	4
5.	ATTENDANCE OF MEMBERS	4
6.	PERSONS IN ATTENDANCE.....	4
7.	WITNESSES CALLED BEFORE THE COMMITTEE	4
8.	PRACTICE AND PROCEDURE OF THE COMMITTEE (S.O 77 (6))	5
9.	INTRODUCTION	5
	ACKNOWLEDGEMENT.....	5
	REPORT OF THE COMMITTEE TO THE HOUSE.....	5

**REPORT OF THE STANDING
PUBLIC ACCOUNTS COMMITTEE
ON THE SPECIAL REPORT OF THE AUDITOR GENERAL
ON PEDRO ST. JAMES – REVIEW OF GASOLINE CHARGES FOR
JULY 2003 TO APRIL 2007
SUMMARY REPORT**

1. REFERENCE

The Standing Public Accounts Committee of the Cayman Islands Legislative Assembly, established under Standing Order 77, met to consider the Special Report of the Auditor General on Pedro St. James – Review of gasoline charges for July 2003 to April 2007, as prepared and submitted by the Auditor General.

2. PAPER CONSIDERED

In accordance with the provision of Standing Order 77(1), the Committee considered the following paper referred to it by the House:

- Special Report of the Auditor General on Pedro St. James – Review of gasoline charges for July 2003 to April 2007.

3. CHAIRMAN AND MEMBERS OF THE COMMITTEE

The following Members of the Legislative Assembly are the present Members of the Standing Public Accounts Committee –

Mr. D Ezzard Miller, MLA - Chairman

Mr Cline A Glidden, Jr., MLA

Mr. Ellio A Solomon, MLA

Mr. Dwayne S Seymour, MLA

Mr Moses I Kirkconnell, MLA

4. MEETINGS OF THE COMMITTEE

The Committee reviewed the Minutes of two (3) meetings held to consider this Report:

- (i) Monday 27th July, 2009;
- (ii) Wednesday 29th July, 2009;
- (iii) Tuesday 8th September, 2009.

5. ATTENDANCE OF MEMBERS

The attendance of Members at meetings is recorded in the Minutes of Proceedings which are attached to and form part of the Report.

6. PERSONS IN ATTENDANCE

In accordance with Standing Order 77(8), the following persons were in attendance at the meeting:

- Mr. Dan Duguay – The Auditor General
- Mr. Garnet Harrison – Deputy Auditor General
- Mr. Patrick Smith – Audit Manager
- Mrs. Deborah Drummond – Assistant Financial Secretary
- Mrs. Debra Welcome – Accountant General

7. WITNESSES CALLED BEFORE THE COMMITTEE

In accordance with the provisions of Standing Order 77(4), the Committee may invite Controlling Officers and support staff to give information or explanation to assist the Committee in the performance of its duties:

1. Tourism Attractions Board: Mr. Gilbert Connolly, Chief Executive Officer
2. Pedro St. James: Mr. Carson Ebanks, Manager

8. PRACTICE AND PROCEDURE OF THE COMMITTEE (S.O. 77 (6))

The Committee agreed that in accordance with the provisions of Standing Order 77 (6) that its meetings, at which Controlling Officers are invited to provide information, should be held in an open forum. This decision was taken to promote openness and accountability in Government.

9. INTRODUCTION & PAC COMMENTS

9.01 The Committee is pleased that the CEO Mr. Gilbert Connolly made a request to the Auditor General for an audit of the charge account and accordingly endorses the recommendations of the Auditor General.

9.02 The Committee recommends that the Government encourage all statutory authorities and government departments to review their charge accounts on a regular basis.

ACKNOWLEDGEMENT

The Committee is most appreciative of the efforts of the Auditor General and his staff in presenting a very fair, detailed and informative Report on the gasoline charges of Pedro St. James from July 2003 to April 2007 and for the support, assistance and constructive advice given throughout its deliberations.

Finally we wish to thank the staff of the Legislative Assembly for the assistance provided. Recommendations

REPORT OF THE COMMITTEE TO THE HOUSE

Your Committee agrees that this Report be the Report of the Standing Public Accounts Committee to the House on the Special Report of the Auditor General on Pedro St. James – Review of Gasoline Charges for July 2003 to April 2007.

_____ *[Signed]* _____
Mr. Ezzard Miller, JP, MLA - Chairman

_____ *[Signed]* _____
Hon. Cline A Glidden, Jr, MLA, Member

*Report of the Public Accounts Committee on the Special Report of the Auditor General
on Pedro St. James – Review of Gasoline Charges for July 2003 to April 2007*

[Signed]

Mr. Ellio Solomon, MLA, Member

[Signed]

Mr. Dwayne Seymour, MLA, Member

[Signed]

Mr Moses Kirkconnell, JP, MLA Member



Legislative Assembly of the Cayman Islands

STANDING PUBLIC ACCOUNTS COMMITTEE

MINUTES of Meeting held Monday 27th July 2009 1:00 pm

Minutes of meeting of the Standing Public Accounts Committee held in the Chamber of the Legislative Assembly building on Monday 27th July 2009 at 1:00 pm.

Present:

Mr. D Ezzard Miller, JP, MLA - Chairman
Mr. Moses I Kirkconnell, JP, MLA - Member
Mr. Cline A Glidden, Jr, MLA - Member
Mr. Dwayne S Seymour, MLA - Member
Mr. Ellio A Solomon, MLA - Member

1. Calling of Meeting to Order by the Chairman

There being a quorum present (Standing Order 77(2) refers), the Chairman called the Meeting to Order at 1:30 pm.

2. Review of Special Reports of the Auditor General

The Chairman suggested that the backlog of reports be dealt with in the order in which they were presented to Parliament. The Chairman also suggested that the Auditor General only be invited to meetings should the Committee identify specific questions for him.

Mr. Cline Glidden stated that since the majority of the reports are dated, it would be beneficial to have the Auditor General present to provide information to the Committee.

2 (1). Special Report – The Affordable Housing Initiative

The Chairman requested feedback from the Committee on how to deal with the matter.

Mr. Moses Kirkconnell stated that from his understanding the Committee was awaiting the receipt of an additional report from the RCIP to the Auditor General on this matter.

AGREED that the Committee will defer this report until clarification has been received from the Auditor General on the status of the additional report from the RCIP.

2 (2). Special Report – Auditor General’s Report on Government Financial Statements year Ended 30 June 2004

The Chairman stated that two Members of the Committee were past members and therefore familiar with this report. The Chairman made a motion that since this was a thorough report, it be reprinted, signed by the current Committee and tabled.

AGREED that the Report be the Report Standing of the Public Accounts Committee. This motion was moved by Mr. Cline Glidden, Jr.

2 (3). Special Report – Auditor General’s Report on the Royal Watler Cruise Terminal Capital Project

The Chairman informed the Committee that there was no final report available on this project. The Chairman suggested that he work with the Clerk to prepare a report based on the Minutes.

AGREED that the Mr. Cline Glidden and Mr. Moses Kirkconnell will prepare a report on this project.

2 (4). Hurricane Ivan Insurance Settlement and Equity Investment in Cayman General.

Mr. Moses Kirkconnell informed the Committee that he has been involved with Cayman General Insurance for a number of years and therefore declares an interest and requests to be excused.

The Chairman accepted Mr. Kirkconnell’s motion.

Mr. Cline Glidden moved a motion that the Auditor General be asked to go through the report and list areas of concern. Upon receiving the Auditor General’s feedback, the Committee should proceed with interviews of witnesses.

AGREED that the Committee will invite the Auditor General to the next meeting to discuss this matter.

2 (5). The Review of Debt Financing Arrangements for Boatswain’s Beach

AGREED that the Committee will defer this report until the Auditor General is present to answer questions.

2 (6). Special Report on the State of Financial Accountability Reporting

Mr. Cline Glidden discussed the reporting process with the Committee.

AGREED that the Committee will defer this report until the Auditor General is present to answer questions

2 (7). VFM Audit – The Scrap Metal Tender and Contract with Matrix International Inc

AGREED that the Committee will defer this report until the Auditor General is present to answer questions.

2 (8). VFM Audit – Purchase of a Helicopter by the Royal Cayman Islands Police

Mr. Cline Glidden suggested that witnesses from the Royal Cayman Islands Police (RCIP) be brought in to answer questions. He noted that many individuals who were involved in the project are no longer with the RCIP; however someone from the RCIP department needs to be present to bring clarity to the situation. Mr. Cline Glidden also stated that specific individuals should be called as witnesses.

AGREED: This motion was agreed by the Committee.

2 (9). VFM Audit – Pedro St James – Review of Gasoline charges for July 2003 – April 2007

Mr. Cline Glidden stated that there is a disconnect in regards to the Management response and the response of the Tourist Attractions Board (TAB).

The Chairman suggested that the two individuals be invited to a PAC meeting and that proper procedures are deciphered for the future.

3. Other Matters

3 (1). Process for Making Auditor General Reports Public

The Chairman raised concern as to the procedures in which reports are made public and when. He stated that the previous Standing Orders stated that the Auditor General reports were provided to Members in a confidential way. However, the

current Standing Orders now make reference that the Public is also in receipt of these reports.

Discussion ensued:

The Committee agreed that it is vital to determine who owns the reports and who makes them public.

AGREED that the Committee will schedule a meeting with the Auditor General and the Speaker to define an appropriate process for making Auditor General Reports public.

3 (2). Request for Auditor General Investigations.

Mr. Cline Glidden made a motion for the Auditor General to investigate the developments of the John Gray and Clifton Hunter High Schools. Specific areas to address were noted as the Value for Money (Scope definition and Project Management), Tendering Process, the Teaching Communities views on the development, and Capacity Management.

Mr. Cline Glidden also made a motion for the development of Roads in Grand Cayman to be investigated and areas to be addressed were noted as the Value for money, the Tendering Process, and the Recurrent Cost of NRA.

The Committee accepted these motions and the Clerk was advised to notify the Auditor General of the requests.

4 Adjournment

There being no further business the meeting adjourned at 3:35pm until 9:00am Tuesday 28th July 2009.



Legislative Assembly of the Cayman Islands

STANDING PUBLIC ACCOUNTS COMMITTEE

MINUTES of Meeting held Wednesday 29th July 2009 9:00 am

Minutes of meeting of the Standing Public Accounts Committee held in the Chamber of the Legislative Assembly building on Wednesday 29th July 2009 at 9:00 am.

Present:

Mr. D Ezzard Miller, JP, MLA - Chairman
Mr. Dwayne S Seymour, MLA - Member
Mr. Moses I Kirkconnell, JP, MLA - Member

Apologies:

Mr. Cline A Glidden, Jr, MLA - Member
Mr. Ellio A Solomon, MLA - Member

In Attendance:

The Auditor General – Mr. Dan Duguay
The Deputy Auditor General – Mr. Garnet Harrison

1. Calling of Meeting to Order by the Chairman

The meeting was delayed until 10:00 am to allow the UDP to complete a scheduled meeting. At 10:25 am the Chairman placed a call and was informed the Members would arrive as soon as possible. The Chairman noted this was unacceptable and adjourned the meeting until 1:00 pm.

There being a quorum present (Standing Order 77(2) refers), the Chairman called the Meeting to Order at 1:05 pm.

2. Review of Special Report of the Auditor General – Purchase of a Helicopter by the Royal Cayman Islands Police.

The Chairman requested a summary from the Auditor General.

The Auditor General informed the Committee that this was an unusual report as it was requested by the Governor. He stated that it was unique to a specific situation. The Auditor General stated that the Helicopter was purchased from a UK company who were selling the aircraft due to European standards for helicopters changing in 2010 and it would have been too costly to retrofit to meet the new standards. The Auditor General informed the Committee that the Government had paid to have the helicopter refitted. He stated that there were certain operational and procedural issues in relation to this purchase, and also noted that the Helicopter was not in the Cayman Islands, nor was he privy as to why. The Auditor General stated that as per his report he can provide two recommendations;

1. Conclude that the Helicopter is not suitable and sell.
2. Take the necessary action to get the craft on island.

The Chairman asked for clarification as to who presented the papers to Cabinet.

The Auditor General informed the Committee that the papers were submitted by the Commissioner of Police and the Deputy Chief Secretary.

Discussion ensued as to the whereabouts of the Helicopter and its capabilities. It was stated that the craft is currently in the United States in storage. Alternate aircrafts were also discussed. The consensus of the Committee was that the report could not be completed until witnesses have been called.

AGREED that the Committee would call the following individuals as witnesses:

1. Commissioner of Police
2. Chief Secretary
3. Assistant Deputy Chief Secretary
4. Director, Civil Aviation Authority

Mr. Moses Kirkconnell noted that it is important that the Helicopter be able to service the Sister Islands as well as Grand Cayman.

Mr. Dwayne Seymour raised concern over the Governments policies and procedures in selecting equipment. He stated that more input and sureties for Government are needed.

3. VFM Audit – The Scrap Metal Tender and Contract with Matrix International Inc.

A summary of the report was provided by the Auditor General. He informed the Committee that the Government entered into an agreement with Matrix International, where by one million dollars would be paid to CIG for the scrap metal which had accumulated after Hurricane Ivan. The Auditor General stated that only a small amount of scrap metal was removed, and \$300,000.00 dollars received by CIG

from Matrix. The Auditor General stated that he did not feel the Government did due diligence in researching the capabilities of Matrix.

Mr. Dwayne Seymour did not support that the document be tabled. He informed the Committee that there are a number of small Caymanian business owners who are still owed payment by Matrix. He stated that answers are owed to these individuals.

The Chairman stated that this may be beyond the scope of the PAC as these were private individuals entering into private contracts with Matrix. He stated that these individuals were not hired by CIG, but with Matrix. The Chairman stated that he understood Mr. Seymour's concerns and supported them, but was unsure as to what the PAC can do.

Mr. Kirkconnell raised the question of the Caymanian partner for this company, as it was established in the Cayman Islands.

The Auditor General confirmed the company did have Caymanian partnership and would research the name of the Caymanian partner and report back to the Committee.

AGREED that the Committee would call the following individuals to address the questions raised in relation to the contract between Matrix Inc and CIG:

1. Mr. Carson Ebanks (former Permanent Secretary of the Ministry of Communications, Works and Infrastructure).
2. Mr. Roydell Carter, Director of the Department of Environmental Health.
3. Mr. Sean McGinn, Assistant Director of the Department of Environmental Health.

4. VFM Audit – Pedro St James – Review of Gasoline charges for July 2003 – April 2007

The Auditor General provided the Committee with a brief summary. He stated that whilst this was not a large sum of money to discuss, the fact that procedures were not in place nor followed is the issue. He also noted that there were differing points of views between the two parties involved; CEO of Tourism Attraction Board and the Manager of Pedro St. James.

Mr. Dwayne Seymour stated that a message needs to be sent that the PAC will not tolerate entities that do not follow proper procedures.

AGREED that the Committee would call the following individuals as witnesses:

1. Mr. Carson Ebanks - Manager, Pedro St. James
2. Mr. Gilbert Connolly – Chief Executive Officer, TAB

5. Special Report – The Affordable Housing Initiative

The Chairman stated that this report had initially been deferred as the Committee believed that there was another report to be reviewed. He stated that the Auditor

General had informed him that there was no additional report, therefore the Committee should review this report.

The Auditor General informed the Committee that they should note there were three (3) reports completed on this topic; Two (2) which were made public and one (1) which has remained out of the public domain. He stated that it is important for the Committee to fully understand all three (3) reports prior to making a decision.

Mr. Dwayne Seymour noted that Mr. Ellio Solomon has an interest in this report and would like to be present for the discussion.

The Chairman moved a motion to defer this report until after the Committee had reviewed the additional two (2) reports mentioned by the Auditor General.

AGREED that the Committee will defer this report until the additional reports have been reviewed.

5. Other Business

5 (1). Procedures for investigation requests to the Auditor General

The Committee discussed the procedures in which requests for investigations are received and carried out by the Auditor General. The Auditor General confirmed that requests are made not only by the PAC, but other entities as well. He stated that he will decide on which investigations to pursue, but that the PAC will be notified of any investigations taking place and the PAC will also receive the final report.

The Committee felt that proper procedures are needed as it raises concerns over the control PAC has over its budget.

5 (2). Update from the Auditor General

The Auditor General provided the Committee with an update on Tempura. He stated that they are currently awaiting management responses and should have the report completed within the next two (2) weeks. He informed the Committee that they should expect to receive another report in approximately a month.

The Auditor General also informed the Committee that his office is currently working on an investigation into the construction of Boatswain's Beach and completing the updated report on Financial Accountability Reporting.

6. Adjournment

There being no further business the meeting adjourned at 2:19pm until 9:00am Wednesday 5th August 2009.



Legislative Assembly of the Cayman Islands

STANDING PUBLIC ACCOUNTS COMMITTEE

MINUTES of Meeting held with Witnesses Tuesday 8th September 2009 9:00 am

Minutes of meeting of the Standing Public Accounts Committee held in the Chamber of the Legislative Assembly building on Tuesday 8th September 2009 at 9:00 am.

Present:

Mr. D Ezzard Miller, JP, MLA - Chairman
Mr. Cline A Glidden, Jr, MLA - Member
Mr. Ellio A Solomon, MLA - Member
Mr. Moses I Kirkconnell, JP, MLA - Member

Apologies:

Mr. Dwayne S Seymour, MLA - Member

In Attendance:

Mr. Garnet Harrison – Deputy Auditor General
Mr. Patrick Smith – Audit Manager
Mrs. Deborah Drummond – Assistant Financial Secretary
Mrs. Debra Welcome – Accountant General

Witnesses:

1. Tourism Attractions Board: Mr. Gilbert Connolly, Chief Executive Officer
2. Pedro St. James: Mr. Carson Ebanks, Manager
3. Mr. Arden McLean: Former Minister for Communications, Works and Infrastructure

1. Reference

In accordance with Standing Order 77(4) witnesses were invited to appear before the Committee to discuss various issues set out in the Reports of the Auditor General:

1. On the Pedro St James - Review of Gasoline Charges July 2003 – April 2007
2. On the Scrap Metal Tender and Contract with Matrix International Inc.

2. Meeting to Order

At 9:35 am the Chairman called the meeting to order.

3. Welcome

The Chairman gave a brief welcome and introduction to those attending.

4. Witnesses Report of the Auditor General Report on the Pedro St James – Review of Gasoline Charges July 2003 - April 2007

4.1. Tourism Attraction Board (TAB) – 9:35 am

The first witness appearing before the Committee was **Mr. Gilbert Connolly, Chief Executive Officer** of the TAB.

The Chairman welcomes Mr. Connolly and thanked him for accepting the invitation to meet with the PAC. The Chairman stated that the purpose of this meeting was to discuss the policies and procedures in place from July 2003 – April 2007. The Chairman invited Mr. Connolly to provide a brief statement of his involvement in the report.

Mr. Connolly thanked the Committee for the opportunity to discuss the report and bring closure to the matter. Mr. Connolly read a personal statement to the Committee where he provided background information and his involvement with the situation. Mr. Connolly stated that whilst compiling the TAB budget for 2007/08, he reviewed the 2006/07 budget and noticed that the gasoline charges were rather high. He stated that an investigation was launched and it was determined that the General Manager for Pedro St. James was charging gasoline at the Savannah gestation for his personal use. Mr. Connolly informed the Committee that he was unsuccessful in getting the cooperation of the General Manager in the internal investigation, and therefore he contact the Auditor General's office and requested an investigation into the gasoline charges. Mr. Connolly informed the Committee that in 2007 a new mileage reimbursement policy was included in the new TAB policy manual and no employee is able to charge gasoline.

The Chairman opened to floor for questions.

Mr. Moses Kirkconnell praised Mr. Connolly for taking the initiative and use of resources to investigate this matter. Mr. Moses Kirkconnell noted that the Auditor General's report had stated that there were inadequate policies and procedures in

place to control the use of the Pedro St. James fuel account and asked Mr. Connolly if he felt that there were now the appropriate policies and procedures in place, and they were functioning properly.

Mr. Connolly agreed that the new policies and procedures that are in place are in line with those used by central government, and he felt that all was functioning properly.

The Chairman stated that Mr. Connolly had requested the Audit in 2007,. But the work had not been completed until January 2009. He asked the Deputy Auditor General what the reason was for this delay.

Mr. Garnet Harrison stated that there were delays due to the heavy work load at the Audit Office as well as delays in receiving responses from the parties [management] involved.

The Chairman asked whether the delay in responses had come from TAB or Pedro St. James.

Mr. Harrison confirmed it was Pedro St. James.

Mr. Ellio Solomon asked Mr. Connolly to explain the reimbursement policy for gasoline for employees.

Mr. Connolly stated that the policy is the same as the central government where employees make a claim for mileage when the use their cars for business purposes.

Mr. Ellio Solomon asked whether the funds have been paid back to government by the Pedro St James Manager.

Mr. Connolly confirmed that a payment plan had been established and that all funds should be received by the end of the year.

The Chairman congratulated Mr. Connolly on the action he took and thanked him for attending.

Mr. Connolly thanked the Chairman for his kind remarks.

4.2. Pedro St. James - 10:00am

The second witness appearing before the Committee was **Mr. Carson Ebanks, Manager** of Pedro St. James.

The Chairman thanked Mr. Ebanks for attending and provided him with an opportunity to give a statement.

Mr. Carson informed the Committee that the reason the gasoline charges at the Savannah gas station were so high was due to hurricane Ivan. He stated that Pedro had been severely damaged during the hurricane and therefore there was a need to remove debris from the site and also assist with the clean up. He also informed the committee that the truck which had belonged to Pedro was damaged during the hurricane and he had rented a truck with his own money to conduct the business of Pedro. He informed the Committee that a larger truck had been rented due to the fact of having to remove large pieces of debris, and this larger truck consumed more gasoline. Mr. Ebanks expressed to the Committee that he felt insulted and embarrassed by the Auditor General's report and did not feel it portrayed the true story. He stated that the gas was obtained to run the company.

Mr. Moses Kirkconnell asked Mr. Ebanks whether he had been reimbursed for the truck rental and whether the truck was rented solely for business use.

Mr. Ebanks stated that he had not been reimbursed and that the truck was only used for conducting work at Pedro.

The Chairman asked Mr. Ebanks whether he had made a claim for the truck rental.

Mr. Ebanks stated that since there was such "scandal" over the gasoline charges, he had decided not to make a claim.

Proceedings Suspended at 10:06 am

Proceedings Resumed at 10.30 am

5. Witnesses Report of the Auditor General Report on the Scrap Metal Tender and Contract with Matrix International Inc.

5.1 Ministry of Communications, Works and Infrastructure – 10:30am

The first witness appearing before the Committee in this matter was **Mr. Arden McLean, Former Minister for Communications, Works and Infrastructure.**

The Chairman thanked Mr. Mclean for accepting the PAC's invitation to discuss this matter and invited him to provide opening remarks.

Mr. Mclean stated that he was confused as to why he had been called as a witness as Ministers do not get involved with the tender preparation process for contracts. He stated that as Minister he was responsible for policy and that policy was to try and get as much as possible out of the scrap metal and have it removed from the island.

Mr. Mclean also asked the Committee to note that he was never approached by the Auditor General's office to assist the report.

Mr. Ellio Solomon asked Mr. Mclean whether he had been in receipt of statements from the Assistant Solicitor General Office whereby he stated that due diligence was needed in regards to Matrix International Inc.

Mr. Mclean stated that he had not requested a legal opinion from the Solicitor Generals Office, hat the request had come from either the department or the ministry. He also stated that he would be providing responses based on memory as he has no documentations since leaving office.

Discussion ensued on the role of Ministers and Departments in the tendering process.

Mr. Moses Kirkconnell made the comment that the policy Mr. Mclean was involved in was to remove the scrap metal and receive money for this metal, which had never been done before. He asked Mr. Mclean whether this has ever been a policy of any previous governments.

Mr. Mclean stated that he was not aware of any other governments attempting to gain money from scrap metals and that it had always been given away for free.

Discussion ensued:

The Chairman thanked Mr. Mclean for accepting the invitation and noted that Ministers are not normally called as witnesses and therefore the Committee was grateful for Mr. McLean's presence.

5.2 Matrix International Inc. – 11:00am

The Committee decided that it was no longer necessary to contact this witness given the information they had received.

6. Confirmation Of Minutes

(i) Monday, July 27th, 2009

On a motion moved by Mr. Moses Kirkconnell, the Minutes of 27th July, 2009 were confirmed.

(ii) Tuesday, July 28th, 2009

On a motion moved by Mr. Cline Glidden, the Minutes of 28th July, 2009 were confirmed.

(iii) Wednesday, July 29th, 2009

On a motion moved by Mr. Moses Kirkconnell, the Minutes of 29th July, 2009 were confirmed.

(iv) Wednesday, August 5th, 2009

On a motion moved by Mr. Cline Glidden, the Minutes of 5th August, 2009 were confirmed.

(v) Wednesday, August 12th, 2009

On a motion moved by Mr. Ellio Solomon, the Minutes of 12th August, 2009 were confirmed.

7. Review and Discussion of Reports

(7.1) Review of Special Report of the Auditor General – The Review of the Debt Financing Arrangements for Boatswain’s Beach.

The Committee deferred the discussion of this report.

(7.2) Special Report – Auditor General’s Report on the Royal Watler Cruise Terminal Capital Project

The Committee deferred the discussion of this report.

8. Discussion on 09-10 budget for Cayman Islands Audit Office

Mr. Harrison provided the Committee with a brief overview of the Auditor General’s budget for the 2009-10 budget year. He stated that there were no different outputs and \$573,000.00 had been allotted to PAC.

The Chairman stated that he felt it unfair that Tempura had been charged to PAC as this was not an investigation that had been requested by the PAC. The Chairman stated that in the future no invoices will be signed that have not been preauthorized by the PAC. He stated that the PAC will in no way dictate what the Auditor General’s Office investigates, but the Committee should be kept informed as to what is occurring with its budget.

Mr. Harrison stated that the Audit Office would provide updates to the PAC on work being requested.

9. Approval of Invoices for Audit Office

- (i) Invoice Number 204695 dated 5 August 2009 in the sum of CI\$70,430.00;
- (ii) Invoice Number 204754 dated 7 September 2009 in the sum of CI\$58,747.50.

AGREED that the Committee approve the two invoices numbered 204695 and 204754.

10. Any Other Business

(10.1) Review of recommended amendments to Standing Orders

The Committee decided to delay this discussion so that Members could properly review the recommendations.

11. Adjournment

The Chairman thanked the Witnesses for their testimony to the Committee and the meeting adjourned at 12:30 pm until Tuesday September 15th 2009 at 9am.