



PERFORMANCE AUDIT

on

**ABSENTEEISM IN THE MONTSERRAT PUBLIC SECTOR:
PREVALENCE, CAUSES, AND COSTS**

Office of the Auditor General
Brades Main Road
Brades
Montserrat
December 2018

**ABSENTEEISM IN THE
MONTSERRAT PUBLIC SECTOR-
PREVALENCE, CAUSES, AND
COSTS**

This is a Report of a Performance
Audit conducted and report
prepared in accordance with
Section 103 of the Montserrat
Constitution Order 2010

Florence A Lee
Auditor General
Office of the Auditor General
7 December 2018

PREAMBLE

Vision-Statement

The Office of the Auditor General (O.A.G.) plays a crucial role in ensuring that public monies are spent wisely. Our vision is therefore “to be a proactive Supreme Audit Institution (S.A.I.) that helps the nation to make good use of its resources”.

Mission-Statement

“The O.A.G. is the national authority on public sector auditing issues and is focused on assessing performance and promoting accountability, transparency and improved stewardship in managing public resources by conducting independent and objective reviews of the accounts and operations of central government and statutory agencies; providing advice; and submitting timely Reports to Accounting Officers and the Legislative Council”.

The Goal

Our goal is “to promote staff development, enhance productivity, and maintain a high standard of auditing and accounting in the public sector, thereby contributing to the general efficiency and effectiveness of public finance management”.

AUDITOR GENERAL'S OVERVIEW

Effective human resource management is a critical element underpinning the performance of the public sector and the achievement of the strategic objectives and goals as agreed by the Legislative Assembly. Having effective human resource management also helps to ensure that citizens receive goods and services of high quality that can be measured against quality standards.

Our review revealed several inefficiencies that must be addressed to enable the human capital in the public sector to be more effective. Of great concern to us were the increasing absence days some of which has been categorise at uncertified sick days. We encountered low or no co-operation by several departments and low levels of satisfaction are widespread among surveyed employees in relation to issues such as workplace/environment, low salaries, being under-paid for work/responsibilities/qualifications and lack of payment for job related allowances. Moreover, significant progress has been made in recent years to provide modern accommodation for many departments, but several departments remain in unsatisfactory working conditions. Essentially, throughout HRMU and MPS too many processes remain in manual mode with excessive use of paper.

Considering our findings, we note the GOM's recent initiative to develop and implement a full-fledged Human Resource Information System which will be customized to address many of the findings highlighted in this report.

We have also provided several recommendations that we feel would benefit the Government and the citizens of Montserrat once they are implemented.

I wish to thank all Accounting Officers within the Montserrat Public Service and their staff and all other persons who provided information, clarifications or extended any courtesy to my staff during this assignment.



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ABBREVIATIONS

CARICOM	Caribbean Community
CAROSAI	Caribbean Organisation of Supreme Audit Institutions
DFID	UK Department for International Development
DITES	Department of Information Technology & E-Government Services
EEP	Empowering Excellence Programme
GDP	Gross Domestic Product
GOM	Government of Montserrat
ICT	Information and Communication Technologies
IRD	Inland Revenue Department
INTOSAI	International Organisation of Supreme Audit Institutions
ISSAI	International Standards for Supreme Audit Institutions
MCRS	Montserrat Customs & Revenue Department
MCW	Ministry of Communications & Works
MOA	Ministry of Agriculture
MOE	Ministry of Education
MOF	Ministry of Finance
MOH	Ministry of Health
MPS	Montserrat Public Service
MUL	Montserrat Utilities Limited
OAG	Office of the Auditor-General
ODG	Office of the Deputy Governor
OOP	Office of the Premier
SDP	Sustainable Development Plan
SEO	Search-Engine Optimisation

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EXECUTIVE SUMMARY

Employees are a fundamental resource base for the Government of Montserrat (GOM) as the largest employer. Any deficiencies in public servants' attendance and performance have ramifications for the entire country, including sustained development of businesses and job-creation in the private sector. This performance audit focused on the recording and reporting of unplanned or unexpected categories of workplace absences, the GOM's policy framework, and the supporting human resource environment.

Main Findings

Low/no co-operation by several departments. In particular, despite multiple requests starting in October 2017, strengthened by HR Circular #13 of 2017 (early December 2017) to all Heads of Department, no reports or data were provided by the Ministry of Education (MOE) or any of its departments until January 30th, 2018 (nearly 4 months later). Likewise, several other Departments across GOM (a) provided no reports (b) provided incomplete data sets, and/or (c) responded very late. Altogether, about 50% of all data requested for years 2015 to 2017 were not received until 3 to 5 months later, and about 20% of data were not received.

HRMU has not used its HR Information System. Despite reference to an HRIS during a performance-audit done in the year 2015, we found that HRMU has not been using its HRIS during the past four years. Essentially, throughout HRMU and the MPS, too many processes remain in manual mode with excessive use of paper. The huge accumulated volume of unprocessed data and the very limited quality of reports is time-consuming to handle and greatly slowed our ability to summarise and to analyse data across the public sector. Generally, much effort goes into preparing reports, but very little effective or strategic use is being made of many of these reports.

Poor file management. We encountered numerous instances of unsatisfactory record keeping: e.g., (a) mislabelled files, (b) errors in data (e.g., misspelled names; incorrect/missing ME#), (c) omissions of data or explanatory notes [especially for absence-code #13, which clearly states "Other (specify)"], (d) missing records, (e) destroyed or overwritten records, (f) mislabelled reports, and (g) delays of weeks, or even of months, in simply e-mailing to the auditor copies of historical absence monitoring reports. In some instances, no absence-records were kept for months or even for years (e.g., MOA's Trade Dept. missed all of 2015 and 2016); in other cases, files were apparently no longer available. These are causes for great concern both for auditing purposes and especially also for the Ministries and Departments' own management of information, of people, and of assets (above all, those in electronic formats).

Absence days are increasing. Every year, a very large number of work-days are lost to uncertified sickness leave and to other forms of non-vacation leave (e.g., absent without leave, unpaid leave, special leave, study leave, maternity leave, and category #13 "Other", which requires specification but, in most absence-reports, was not described or explained at all).

Overall, the evidence that we have gathered shows that (a) the trend across the MPS has worsened since the year 2015, reaching more than 18,000 lost days in year 2017 and (b) there is a very high ratio of non-vacation leave (average of 19 days per person) to vacation leave (average of 21 days per person).

Employee satisfaction is low. Degrees of dissatisfaction or low levels of satisfaction are widespread among surveyed employees. Whilst many expressed satisfaction with their jobs/work, dissatisfaction was low to high regarding workplace/environment. Dissatisfaction was worst of all regarding elements of compensation: e.g., (a) low salaries; (b) being underpaid for their actual level of work/responsibilities/qualifications; (c) no increases for several years; (d) no compensation for overtime for many persons; (e) lack of hazard/responsibility allowances for some departments; and (f) no telephone/travel/other allowances for many persons, particularly those who work outdoors and therefore are compelled to use personal phones for communication with their departments.

Inadequate infrastructure and maintenance. Although significant progress has been made in recent years to provide modern accommodation for many departments, several departments remain in unsatisfactory working conditions. Moreover, repairs and maintenance are too often late or delayed and even the newer buildings have proven to have some issues needing remedy.

Key Recommendations

Improve record keeping and file management. Across many departments, urgent attention needs to be given to (1) standardisation of file naming, (2) file saving, (3) record management, and (4) the primary use of the GOM H-drive rather than personal C-drives. For instance, clerical and administrative staffers require coaching to make sure that they are using the full range of functionalities within the standard software to produce complete, accurate, and timely records and reports to support effective decision making.

Provide more training. Workers need a strategic approach to training and to development, including (a) mentoring, (b) coaching, (c) on-the-job training, and (d) fair allocation of overseas opportunities (e.g., courses, seminars, workshops, and work attachments) to more persons. In the short term, this enhances motivation, morale, professionalism, and productivity. In the long term, this (i) supports retention of talent, (ii) underpins effective succession planning, and (iii) greatly reduces the negative impact of turnover through resignations, retirements, and ill health.

Create an ergonomic workplace. Place urgent focus on inspecting and retrofitting all workplaces and workspaces to ensure that they are safe, comfortable, productivity enhancing and health promoting for employees. Wisely investing in health and safety (e.g., through prevention, through regular education, and through timely repairs and maintenance of workplaces) will save the GOM millions of dollars in long term costs of preventable sickness, of high rates of

absenteeism, and of major repairs/replacements of assets that could otherwise have been well maintained for a fraction of that cost.

Implement health & wellness programmes. It is well recognised that the leading causes of morbidity and mortality locally and regionally are predominantly chronic non-communicable diseases, which Chief Medical Officers' Annual Reports (both in Montserrat and in the U.K.) have repeatedly declared are all preventable with appropriate diet and lifestyle. A proactive and strategic approach will greatly reduce healthcare expenses and absenteeism costs. Correspondingly, it will improve productivity and life quality, (1) by educating and empowering all employees to make wiser choices and to adopt better daily habits, and (2) by establishing and nurturing a supportive ecosystem. Ultimately, maintaining high levels of wellness is an effective investment in human capital with immediate returns as well as increasing long-term benefits.

Leadership, cultural change & smart partnerships. Within and beyond GOM workplaces, the paradigm must shift from the status quo of high cost secondary healthcare (which is effectively oriented to accidents, crises, and disease management after the fact) to self-responsibility and prevention at a small fraction of the cost. The HRMU, the EEP team, and Heads of Department could collaborate to design, to create, and to institutionalise wellness throughout the MPS, starting with themselves to be leaders by example. Strategically, partnerships with community groups, churches, and schools will be important to spread and to reinforce these benefits throughout the society, both to reduce the GOM's overall healthcare expenditures, and to create a healthier future workforce by inculcating wellness programmes from the earliest ages.

Use the HR Information System (HRIS). Within 3 months, place urgent focus on using the HRIS to improve the efficiency and the effectiveness of the HRMU and, by extension, people management across the MPS. Integrated databases will facilitate a wide range of queries, reports, and analyses and speed internal HRMU processes as well as replies and service-delivery to all other MPS departments. With e-Government, this will (1) improve decision making, (2) accelerate the Empowering Excellence Programme (EEP), (3) improve interdepartmental communication, and (4) lead to better outcomes in a wide range of monitored performance-metrics.

Audit Conclusion

Absenteeism and its diverse causes have contributed to significant negative impacts on (a) morale, (b) communication, (c) co-operation, and (d) performance within and between departments of the GOM. Insufficient funding, resources, and staffing have been allocated to many departments, thereby limiting progress in growing the four central economic pillars in the Sustainable Development Plan 2008 to 2020. Despite its important role as a regulator and a major catalyst on the island's path to regaining economic self-sufficiency, the public sector remains under developed, under trained, under resourced, and inefficient in several aspects.

While some departments have shown improvements in reducing the number of missed work days per year, the overall MPS absence trends since the year 2015 have worsened by 25%. Not only is the number of days lost to sickness high, but also the other non-vacation categories of absence, taken together, are as high as total sickness leave: for the year 2017, the combined aggregate of non-vacation leave categories was approximately 18,000-person days lost. The sum of direct and indirect costs of all non-vacation leave is estimated in the region of \$5 million to \$10 million per year. Adding the cost of vacation-leave, the estimated total economic costs of all forms of leave is \$13 million to \$16 million per year. The upper estimate, therefore, approaches 1/3 of the GOM's direct payroll cost (which was \$47 million in the fiscal year 2016/2017).

Although much of the sickness leave is genuinely health related (e.g., 76% of total sickness days in year 2017 were certified), most of the sickness claims are uncertified (e.g., 69% of the number of sickness absences in year 2017 were uncertified). It is also clear (a) from trends in the absence data and (b) from the attitudes, observations, and experiences shared by employees surveyed from many GOM departments, that a significant portion of what is reported as sickness leave is only a symptom of the widespread dissatisfaction that employees have (1) with non-ergonomic workplaces, (2) with ineffective/unpleasant supervisors, (3) with lack of recognition, awards, and appreciation, and/or (4) with inadequate compensation/incentives. In short, absenteeism can be greatly reduced with (i) effective management, (ii) comprehensive health and wellness programmes, (iii) safe, secure and well-maintained workplaces, (iv) ergonomic work-stations, and (v) strategic H.R. approaches to recruitment, induction, training, promotions, development, and succession.

CHAPTER 1: INTRODUCTION

Background

1. This performance audit focused on the recording and reporting of unplanned or unexpected categories of workplace absences (especially, sickness leave), the GOM's policy framework, and the supporting human-resources ecosystem (e.g., departmental policies, buildings, amenities, ergonomics, training, supervisory effectiveness, compensation and recognition), with implications (a) for individual efficiency, (b) for departmental effectiveness, and (c) for the quality of service to the public. In turn, activities of the GOM and throughout the MPS constitute the biggest part of the flow of funds and full-time employment in the national economy and have numerous effects.

2. **Rationale.** Operations within the MPS influence fiscal, economic and other factors that have an impact on the quality and the delivery of public services to create an enabling environment for the rest of the economy to grow and to prosper. As a result, we have performed a review of authorities, of scholarly literature, and of regional and global best practices. It is envisaged that such a review will, over time, assist all stakeholders in devising a framework to guide this and following audits, and in creating more value to citizens and to public sector decision makers alike. GOM can greatly reduce learning curves and save implementation costs by systematically embracing a multidisciplinary approach to learning from public sector experiences in other countries, both what is best avoided and what is highly effective and efficient.

3. **The Context of the Information Age.** As the pace of technological innovation quickens, Governments and central banks around the world have been grappling with the issues of (1) economic empowerment, (2) facilitation of enterprises, (3) globalisation, and (4) smart regulation (including cross border surveillance and collaboration). The theme of e-Government is well developed both locally and regionally, including electronic filings and tax refunds with the Inland Revenue Department and Customs & Excise Department. This has become essential as e-commerce, e-communication, and e-payments dominate the delivery of information, services, products, experiences, and support to customers and to businesses throughout the value-chain. This requires smart deployment of communication technologies and the strategic use of information assets within each Ministry and, in turn, each Department of the GOM, both for managing employees, funds and other assets internally, and for serving the public.

Local Context

4. In short, the GOM has such a predominant size in the local context that it must provide policies and laws that facilitate business, trade, and economic activity by citizens and private businesses. The MPS must also lead by daily example in its own operations: for example, in efficiently designing, specifying, acquiring, and deploying appropriate (i) software and hardware, (ii) energy and technologies, (iii) systems, (iv) people, (v) training and user support, and (vi) processes, all of which contribute to a fully modern apparatus for accelerating, at the least cost

per transaction, public services, provision of utilities, payment-methods of all types, and effective client-service channels, both inward and outward, and both local and foreign. This is vital both for governance and for national development. Throughout each of these processes, public servants play various roles, including being themselves end-users of public services and consumers within the wider economy. Employees' empowerment and satisfaction, and thus departments' adequate resourcing, reliable attendance, and consistently high levels of performance, are fundamental to the delivery of effective public services, thereby leading to a sustainably higher quality of life for all persons living on the island.

Objectives of the Audit

5. The audit sought to examine the impact of absenteeism in the public sector of Montserrat. Consideration was given to (a) the quality of the recording and the reporting of all categories of absence, (b) their recent incidence and trends, (c) their underlying causes, and (d) their impact on organisational efficiency and effectiveness for stakeholders. Finally, the study aimed to identify, to measure, and to assess the costs of absenteeism. In particular, we sought to identify the major departmental challenges and reasons for employees' dissatisfaction, and, hence, opportunities and recommendations for improving the workplace for all public servants.

Scope of Performance Audit

6. The scope of this performance audit was an investigatory pilot-project to examine the status and the recent years' trends of unplanned absences throughout the public sector. We initially included all GOM Ministries and all departments in our review; however, the actual scope was limited to those that responded to data requests and participated in interviews. Financial and other data analyses initially focused on the current year and the prior 5 years (i.e., years 2012 to 2016). Given multiple challenges with obtaining satisfactory data and/or cooperation from all departments, we subsequently limited our focus to the years 2015 to 2017 (i.e., the current year plus 2 years of recent history). However, several types of desired data/reports are either not available at all, or have not been gathered, and/or records have not been retained for some periods in all departments.

Scale of Performance Audit

7. The scale of this performance audit encompassed all Ministries and most Departments within GOM that report absences. We also surveyed employees across many departments within the local public sector. Ultimately, despite the many challenges encountered, the final data sets and survey covered departments representing nearly 900 employees (about 90% of the total number).

What We Excluded from this Audit

8. We initially excluded data preceding those of the year 2012, and, subsequently, those prior to year 2015, except for background knowledge and local context. We excluded comparative compensation analyses and other cross country reviews. We also largely excluded regional data sets, except for background information, thus emphasising Montserrat specific current and very recent historical data sets. Future performance audits and GOM's own strategic plans will need to address these areas in order (i) to reach optimal human resources management (including effective recruitment, competitive compensation, and long-term retention of talent), (ii) to sustain effective financial management, and (iii) to exceed comparative Caribbean standards and global best practices as Montserrat competes with other countries for talent, funding, and investments.

Audit Standards Used

9. The international standards used to perform this audit engagement and to assess the findings of this audit include ISSAI 1, ISSAI 100, ISSAI 3000, and ISSAI 3100.

Why We Performed This Audit

10. **Effective Public Services.** In Montserrat, the public sector is much larger as a percentage of the workforce and as a percentage of Gross Domestic Product (GDP) than it is the case in most other countries in Caribbean and Latin America (National Tourism Policy, 2016, p. 22). Absenteeism directly affects the optimal functioning of the GOM and partly represents a gap in potential economic performance. During the past 2 years, the public sector, as well as the rest of the society and economy, has suffered (a) some interruptions of ferry-service, (b) recurrent outages of power-supply, and (c) related significant losses of productivity in its internal operations, including early closure of offices in some instances. Absenteeism compounds these problems (1) by slowing the restoration of services to desired levels, (2) by causing delays in approvals, in disbursements, and in procurement, and (3) by resulting in challenges to complete projects on time and within budget. For example, in fiscal year 2016/2017, GOM departments had approved development-expenditures of \$39.8 million but spent only \$17.9 million; this represented a 55% shortfall of \$21.9 million (about 13% of GDP), which is very significant within the local economy.

11. **Effective Human Resources Management.** Employees are a fundamental resource base for the GOM, as for any well managed organisation. Absenteeism means that persons are not at work when they are expected to be there; even planned absences have costs. On the one hand, their unexpected absences represent a loss of productivity and a direct cost to GOM. On the other hand, such absences create multiple negative effects and indirect costs, including extra pressure on co-workers, increased overtime, higher employment costs (e.g., where substitutes are hired), and delays and inefficiencies within and between departments. This is particularly costly where there is a specialist in a given role or skill set and even temporary replacements or substitutes are either not available or would be very expensive to obtain.

How We Performed This Audit

12. Methods used. [1] Initially, we conducted interviews with senior public-sector officials across various Ministries and Departments. [2] Then, we devised questionnaires and auditing techniques to assess (i) the efficiency and the effectiveness of data-gathering and reporting related to public-sector absenteeism, and (ii) the trends, causes, and costs of unexpected absences. [3] We also researched existing GOM laws and regulations to establish the legislative framework for our performance audit. [4] The programme of research then encompassed the scholarly literature on such relevant subjects as (a) workplace absences, (b) human resources management, (c) public sector efficiency and effectiveness, and (d) performance benchmarks and standards of service. [5] These sources supplemented our reviews of various internal and external documents related to GOM's policies, structures, and operations affecting the issues of attendance and performance within the public sector. [6] Finally, we did random samples of employees from a wide variety of GOM Departments through detailed interviews during December 2017, and January 2018. Emphasis was placed on factors affecting attendance and performance. In particular, we sought to know (a) whether they had observed improvements/declines in attitudes and absenteeism during the past few years, (b) issues affecting their job satisfaction, as well as (c) challenges for their departments, and (d) recommendations/opportunities for improvements.

13. Standards used. This audit was conducted according to standards promulgated by the International Organisation of Supreme Audit Institutions (INTOSAI) for performance audits. Those standards require that we plan and perform our audit in order to obtain sufficient and reliable evidence to reach a reasonable conclusion about the performance of the MPS with regard to [a] its efficiency, [b] its effectiveness, and [c] the value for money that its services provided to its tax payers during the period under review.

Laws, Regulations & Criteria Used

14. The Labour Code (Act 20 of 2012)
15. The General Orders for the Public Service (1986) (last amended March 2017)
16. The Montserrat Sustainable Development Plan 2008 to 2020: Journey to Sustainable Prosperity.
17. HR Circular #2 of 2012.

CHAPTER 2: DATA & FILE-MANAGEMENT

Findings of the Audit

18. High degree of compliance with monthly reporting. An important finding of our research is that most departments are consistently submitting the required absence monitoring reports to HRMU. In a few cases, reports were weeks or months late. Several departments (e.g., Treasury, Ministry of Finance HQ, Fire Dept., and Police Dept.) are also submitting quarterly and annual summaries, which are far more useful than monthly ones. Notable exceptions include (1) MOA's Trade Department, which kept few/no absence-monitoring records from March, 2012, until March, 2017, and (2) the Prison Dept. (one of the departments listed under the Office of the Deputy Governor), which never used the HRMU's prescribed absence-monitoring forms or made the required monthly absence reports at all; it has been using only a handwritten log-book internally. Accordingly, no data for the Prison were received.

19. Quality of reports is unsatisfactory. A key recurring theme in our interviews/survey was that reports were being compiled more from a sense of obligation rather than for practical purposes. Almost all of the monthly reports seen were in a basic calendar format with only manual insertion of absence category codes or colours indicating the days of absence and the type of absence for each person during that month. In most monthly reports, no summaries, totals, charts, notes, discussions, or analyses are included either for the individual employees or for the various categories of absence. Even for internal purposes, this is of extremely limited value, and it requires reference to employees' individual physical files to know the year-to-date totals accumulated within each category of leave. By contrast, the Police Dept. and the Fire Dept. were two of the most noteworthy examples for good reporting, including monthly totals by person and by department, as well as year-to-date summaries for every month of the year. E.g., this allows better planning and prompt corrective action whenever employees approach, hit, and/or exceed the ceiling permitted for each category of leave.

20. Low/no co-operation by several Departments. In particular, despite multiple requests starting in October 2017, strengthened by HR Circular #13 of 2017 (early December 2017) to all Heads of Department, we experienced several cases of extremely late submissions of data or responses to queries. Several other Departments across the MPS (a) provided no reports at all, (b) provided incomplete data-sets, and/or (c) responded very late:

- (1) E.g., despite requests starting in October 2017, no reports or data whatsoever were provided by the Ministry of Education (MOE) or any of its departments until January 30th, 2018 (nearly 4 months later); regrettably, therefore, we were unable to do any sampling/interviews of their 130+ employees.
- (2) E.g., the Ministry of Health (MOH), which represents 20% of the public-service headcount, was very co-operative in facilitating interviews, but provided no data/reports until January 25th, 2018;

- (3) E.g., despite requests starting in October 2017, Ministry of Communications and Works (MCW) did not provide any data for the year 2017 until February 13th, 2018;
- (4) E.g., despite requests starting in October 2017, MCW's complete data for years 2015 and 2016 were pending until February 28th, 2018, and March 1st, 2018, respectively;
- (5) E.g., Reports were not received from the Office of the Premier or any of its subsidiary departments, including (a) DITES and (b) the Radio Station/Broadcasting Department, until March 5th, 2018);
- (6) E.g. no absence reports were received from the Prison Dept. for any period.

These factors significantly impeded the audit during its first 3 months and then required overtime and an extension beyond the original 4 month duration (October, 2017, to January 31st, 2018) budgeted for this audit (e.g., to process the more than 12,000 lines of data submitted extremely late by MOH and MOE, as these two Ministries represent 35% of the public-service employees, and, therefore, were too important to omit from the findings and the final report). Altogether, about 50% of all data requested for years 2015 to 2017 were not received until 3 to 5 months later, and about 20% were not received at all.

21. Obstruction of Audits. Overall, these instances of non-participation and of late responses further limited the scope, the efficiency, and the effectiveness of the audit. Evidence and observations point to underlying factors ranging from:

- (i) The apparent lack of training of some clerical officers (e.g., very poor file management; glaring errors and omissions; destroyed or missing records; long delays; non-responsiveness) to
- (ii) The seeming ignorance of, and disrespect for, the roles/authority of auditors within the public service.
- (iii) In the worst case, the evidence (including, in the Ministry of Health HQ, an Executive Officer's repeated disobedience of the Head of Department's instructions to send copies of absence reports to the auditor) pointed to prolonged and wilful obstruction of the audit.

22. HRMU is not using the HR Information System. Despite reference to an HRIS during a performance audit done by the OAG in the year 2015, we found that the HRIS remains unused within the HRMU years later. Essentially, throughout HRMU and the MPS, too many processes remain in manual mode with costly and excessive use [a] of stationery, [b] of paper/forms, [c] of printing, and [d] of physical delivery. These entail negative implications: e.g.,

- (1) High and increasing carbon emissions and impact on the environment,

- (2) Excessive energy use,
- (3) Employees' ailments (e.g., accumulating dust and declining indoor air-quality), and
- (4) The increasing storage-space required (e.g., at the IRD, at the Customs Dept., at the Registry and Legal Departments, at the OAG, at the HRMU, at the MOE, and at the MOH).

The huge accumulated volume of unprocessed/under processed absence data and the very limited quality of attendance reports are time consuming to handle, and these factors greatly slowed our ability to summarise and to analyse data across the public sector. Generally, much effort goes into preparing reports, but very little effective or strategic use is being made of many of these reports.

23. Lack of HR monitoring, metrics, statistics and timely information. In most departments, some key performance measures and HR management statistics are not gathered at all; others are gathered infrequently. Timeliness, quality and reliability are matters of great concern. In many cases, the number and types of errors and omissions that we found indicate that Heads of Department have been signing monthly reports sent to HRMU but seemingly without checking that each report is complete and accurate. Some Departments submitted revised data showing significant changes and corrections from the originals that we received. In turn, this means that timely decisions are not made and/or that inaccurate or misleading reports could easily undermine the quality of some of the decisions that are made at all levels: Departments, Ministries, the HRMU, the Cabinet, and the Legislative Assembly.

24. Poor file management. We encountered numerous instances and various types of unsatisfactory record keeping: e.g.,

- (a) Mislabelled files;
- (b) Errors in data (e.g., misspelled names; incorrect/missing ME#; names included for persons no longer in the Department and with no note to that effect);
- (c) Omissions of data or explanatory notes [especially for absence code #13, which clearly states "Other (specify)"];
- (d) Missing records;
- (e) Destroyed or overwritten records (e.g., the same spreadsheet reused for another period);
- (f) Mislabelled reports;
- (g) Miscoding and misclassification of leave-categories;
- (h) Missing days (e.g., public holidays not indicated);
- (i) Fictitious dates (e.g., showing only 30 days for a month that has 31 days; showing 31 days for a month that has fewer days);
- (j) Delays of weeks, or even of months, in simply e-mailing to the auditor copies of historical absence monitoring reports;
- (k) In some instances, no absence-records were kept at all for months or even for years (e.g., MOA's Trade Dept. missed reporting for all of years 2015 and 2016);
- (l) In other cases, files were apparently no longer available.

These are causes for great concern both for auditing purposes and especially also for the Ministries and Departments' own management of information, of people, and of assets (above all, those in electronic formats).

Recommendations

25. Harmonise reporting. Ensure that all Departments are reporting with standardised categories, codes, formats, and time-periods. E.g., Some Departments (e.g., the MOF's HQ and the Treasury) are still using old pre-2012 absence-monitoring templates with different and fewer codes and categories than the current templates (updated since HR Circular in March 2012) with 14 leave-categories and corresponding codes. The summary-reports must also be consistent for easy data-processing, interdepartmental comparisons, and aggregation by the HRMU or other users.

28. Improve the quality of reports. It is overdue to review the format and the content of each kind of report within the public service. Some ought to be discontinued; others need to be upgraded; in some cases, new types of report are required to measure and to monitor performance and progress. Innovations and best practices in high-performing departments can be shared with all other departments through regular quarterly meetings and e-newsletters.

29. Improve record keeping and file management. Across many departments, urgent attention needs to be given to standardisation of file naming, file saving, record management, and the primary use of the GOM H-drive rather than personal C-drives. For instance, clerical and administrative staffers require coaching to make sure that they are utilising the full range of functionalities within the standard software so as to produce complete, accurate, and timely records and reports to support effective decision making.

30. Use the HR Information System (HRIS). Within 3 months, place urgent focus on activating and utilising the modern HRIS already available within the GOM's SmartStream software to improve the efficiency and the effectiveness of the HRMU and, by extension, people management across the MPS. An effective, central, and comprehensive database system will (1) provide a wide range of queries, reports, and analyses, (2) speed internal HRMU processes, and (3) improve replies and service-delivery to all other MPS departments. Together with e-Government (*see the next recommendation*), this will (a) improve decision making, (b) accelerate implementation of the Empowering Excellence Programme, (c) improve interdepartmental communication, and (d) lead to better outcomes in a wide range of monitored performance metrics.

31. Make e-Government the default. Within 3 to 6 months, upgrade all of GOM's websites, intensify use of social media, and create a central e-portal for each category of stakeholder: e.g., (1) one for all GOM employees; (2) one for all of the service providers within tourism and

hospitality; (3) one for customers of all revenue departments (e.g., The Treasury, the Customs & Excise Department, the Inland Revenue Department, the Glendon Hospital, and the Police Service).

32. This will produce several benefits: e.g., it will (a) create synergies within and between GOM departments, (b) encourage intra sectoral and inter industry co-operation, (c) ensure real time reporting for the prompt actions of all key decision makers, (d) reduce the costs of the current modes of manual processes and cash only methods of payment, and (e) enhance public relations and marketing efficiency and effectiveness. Among its several advantages, this will support an essential online payments infrastructure that will significantly reduce the cost, the time, the risks incurred, and the efforts currently expended in the area of collections, together with the related administration, accounting, and reporting. E.g., GOM employees will no longer have to miss lunch hours or to take away from their work hours to pay bills, taxes, fees, etc.

33. Leverage ICT for better 360-degree service and broader benefits. With effective website management to ensure that all content is correct, complete and current, and with (i) search engine optimisation (SEO), (ii) automated service-features, (iii) online accounts, and (iv) electronic payments, this e-portal paradigm can be a powerful revenue generating and value creating multifaceted interface: e.g.,

- (a) To share information,
- (b) To enhance employee support,
- (c) To improve client services, and
- (d) To support recruitment, induction, and training.

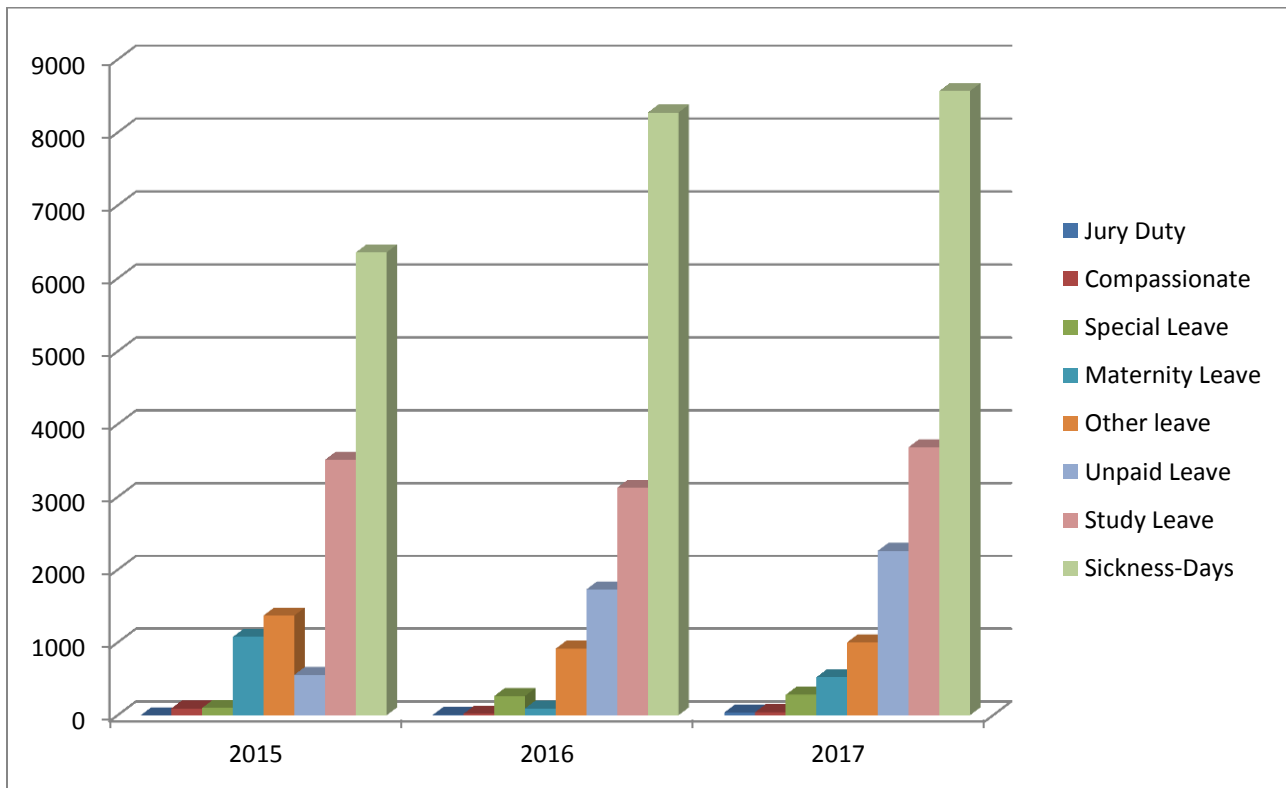
Because GOM employees are also tax payers and users of public services, all enhancements of client services simultaneously benefit MPS workers: both (1) to serve customers better in the course of their jobs, and (2) to enjoy better service themselves when they are customers. More broadly, e-channels also serve to market the island's products, services, culture, history, venues, events, and activities, since public-sector employees themselves are also citizens, consumers, and tourists. In turn, they can help to spread good news about Montserrat to friends, relatives, and colleagues worldwide, thus boosting tourism and economic growth, and encouraging repatriation of people, funds, and skills from the worldwide Montserratian and Caribbean Diaspora.

CHAPTER 3: INCIDENCE & TRENDS OF ABSENCES

Findings of the Audit

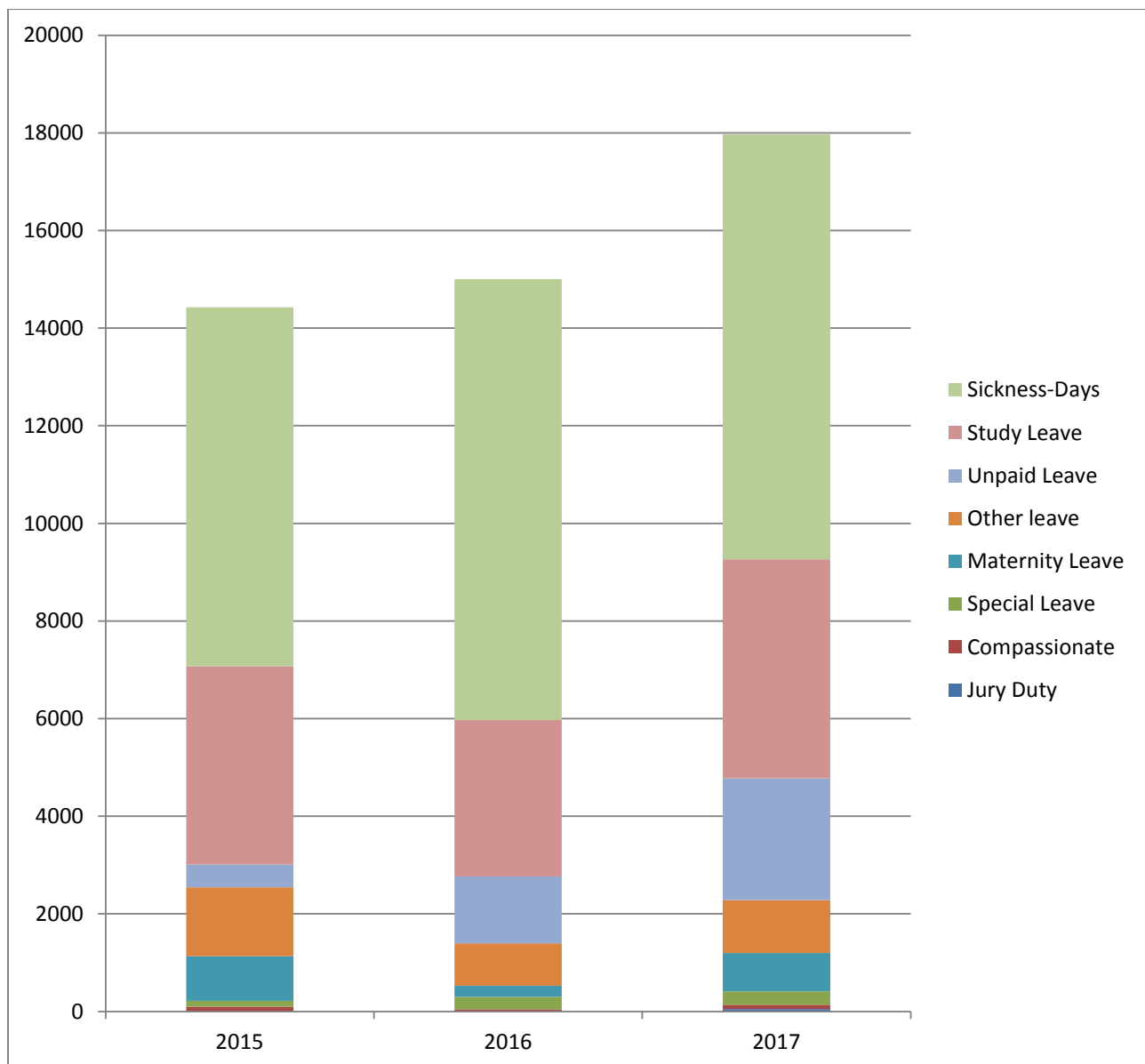
34. Absence-rates are high & rising. During the year 2017, the average number of sickness days was 14 days (or about 3 work weeks per year) among employees who claimed sickness leave; the average per headcount (i.e., all employees) was 9 days per person (or about 2 work weeks per year). The total of all types of non-vacation leave was an average of 18.3 days per person across the MPS (almost matching the average vacation-days of 21 per person). This compares very unfavourably with the national absenteeism averages of Canada (9 days), the UK, and the USA (5 to 7 days for the two latter countries) (Conference Board of Canada, 2013; Statistics Canada data). It is noteworthy that studies in other countries have found (a) that absenteeism rates are higher in the public sector than in the private sector (e.g., over 50% higher in Canada’s public sector than in its private sector) and (b) that unionised workers tend to have significantly more absences than do non-unionised workers (who tend to have fewer protections and benefits and are, therefore, more fearful of losing their jobs). The data that we have examined confirm a similar pattern in the MPS, which combines both elements: an established public sector with over 90% permanent posts and where unionised workers comprise the majority.

CHART: AGGREGATE OF MPS NUMBER OF DAYS PER LEAVE-CATEGORY PER YEAR (2015 TO 2017)



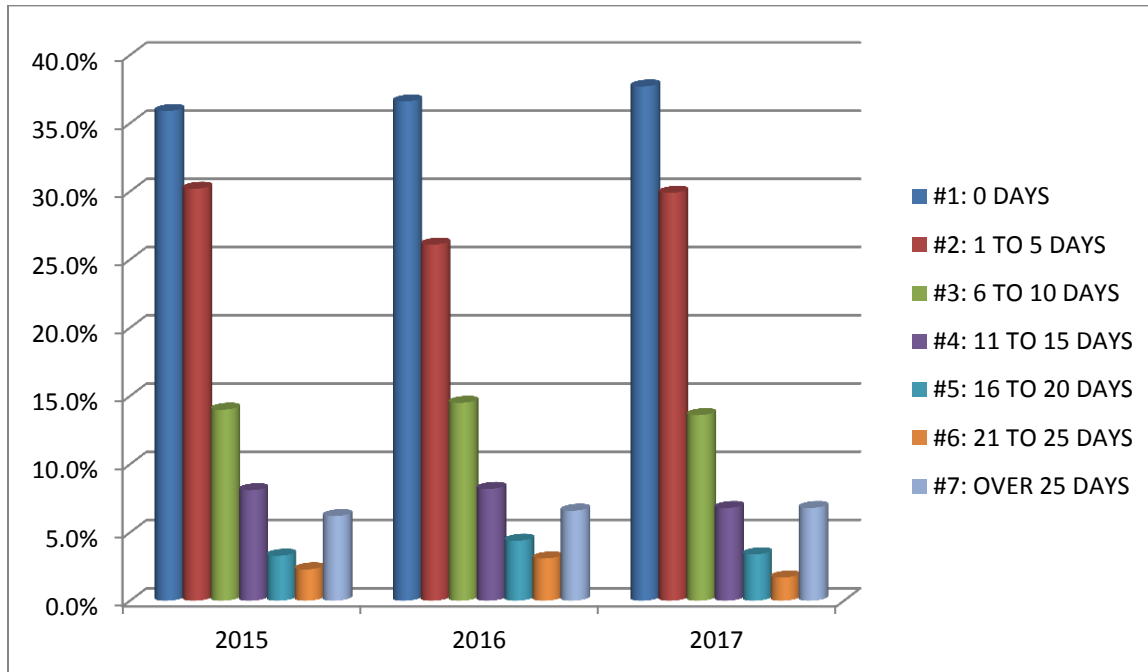
35. Total absence days are increasing. Some Departments showed improvement from year 2015 to year 2016 but worsened in year 2017; others showed steady reductions in absenteeism; others showed steady increases in absences from year to year. Every year, a very large number of work days are lost to uncertified sickness leave and to other forms of non-vacation leave (e.g., absent without leave, unpaid leave, special leave, study leave, maternity-leave, and category #13 “Other”, which requires specification but, in most absence reports, was not described or explained at all). Overall, the evidence that we have gathered shows that (a) the trend across the MPS has worsened since the year 2015, reaching about 18,000 lost days in year 2017 and (b) there is a very high ratio of non-vacation leave (average of 18.3 days per person) to vacation-leave (average of 21 days per person).

CHART: AGGREGATE OF ALL TYPES OF MPS NON-VACATION DAYS LOST YEARLY (2015 TO 2017)



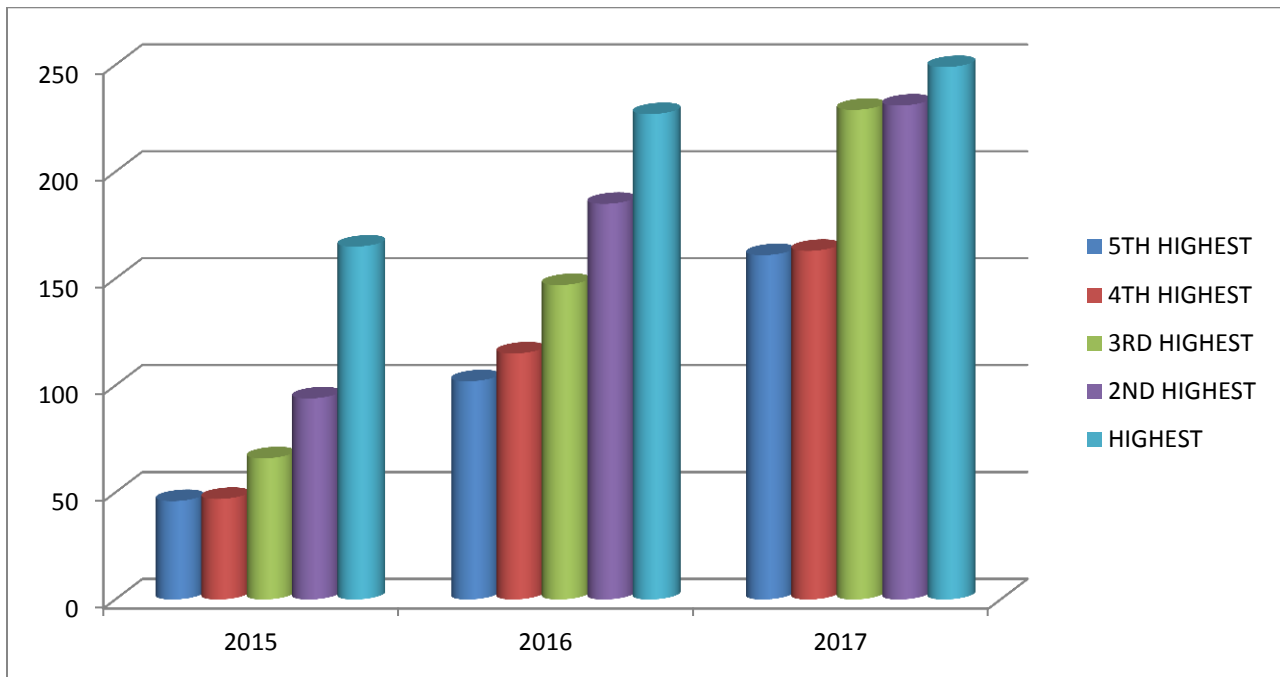
36. Over 60% claimed 0 to 5 days. This was a very welcome finding both for year 2017 and for year 2016. In each year, this means that more than 300 persons claimed no sickness days (tier #1); over 250 more claimed 1 to 5 days for the year (tier #2). The two most outstanding Departments for their high percentage of staff with zero sickness days last year were: DMCA (89%) and MCW's Infrastructure Dept. (86%). At the other extreme were MOH HQ and MOA's Housing Dept.: both had 0% of staff in tier #1 (i.e., 100% of the staff had sickness leave last year).

CHART: TOTAL SICKNESS-DAYS CLAIMED PER YEAR: % OF MPS EMPLOYEES IN EACH TIER

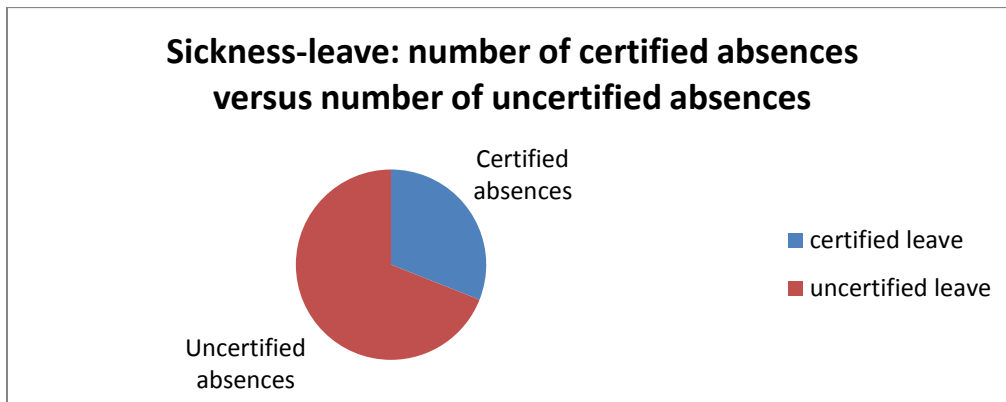


37. Over-limit claims are large & rising. However, at the other extreme, over 8% of employees claimed more than 20 days (tiers #6 and #7), most of whom (nearly 80%) comprised the over the limit group (i.e., over 25 days per year) (tier #7), which numbered more than 60 persons in year 2017. Notably, the percentage in tier #7 has worsened 30% from year 2015 to year 2017. The top three extreme individual cases noted from the 81% data processed for the year 2017 were: 229 days (MOF: The Treasury); 231 days (MOH: Secondary Healthcare Dept.); and 249 days (10 times the normal limit!) (MCW: The Workshop). For the year 2016, the three highest individual cases observed from the limited (66%) available data were: 98 (MOF: The Treasury); 185 (ODG: HRMU); and 229 days (MOH: Secondary Healthcare Dept.). For the year 2015, the three highest individual cases identified from the more limited (44%) available data were: 66 days (Police Dept.); 94 days (MOE: Montserrat Secondary School); and 165 days (MOE: Early Childhood Dept.). This is a very worrisome trend as the highest number and the upper number in each of the top 5 ranks are all rising each year. The 10 worst cases are occurring most frequently among the MOH's healthcare staff, despite their better than average knowledge of health. For all GOM employees, better daily habits and wiser choices are essential.

CHART: THE TOP 5 CASES OF OVER-LIMIT SICKNESS-LEAVE EACH YEAR (2015 TO 2017)



38. Uncertified sickness is very significant. For year 2017, an overall MPS estimate is that an average of 26% of all sickness days were not medically certified. This ranged widely across Departments: e.g., from a very low average of 10% across departments in the MOE, to 46% in the Magistrate’s Court and the Supreme Court, to 53% in Ministry of Finance HQ, to 73% in the Fire Dept., and all the way to 80% in the MOA’s Housing Department. However, in terms of the number of absences, uncertified leave is approximately 70% of all sickness-claimed absences.



Recommendations

39. Create an ergonomic workplace. In line with the Labour Code, place urgent focus on regularly inspecting and retrofitting all workplaces and workspaces to ensure that they are safe, comfortable, productivity enhancing, and health promoting for employees. Wisely investing in health and safety (e.g., through prevention, through regular education, and through timely repairs and maintenance of workplaces) will save the GOM millions of dollars in long term costs of preventable sickness, of high rates of absenteeism, and of major repairs/replacements of assets that could otherwise have been well maintained for a fraction of that cost (CIPD, 2017, p. 2). HRMU can lead this effort throughout the MPS in partnership with the MCW, the MOH, etc.

40. Improve indoor air quality. Systematically replace the popular but toxic cleaning and other office products with safer natural alternatives to minimise environmental impact, emissions, and health risks to employees, most of whom remain in closed workplaces for several hours per day, unwittingly inhaling the residues of a wide range of chemicals and aerosols currently used across the MPS. Better knowledge of these risks and the use of healthier alternatives will also translate into smarter and safer choices by GOM employees and their families at home and elsewhere, leading to a healthier country for residents and visitors alike. This contributes to the achievement of the national vision of “A Healthy and Wholesome Montserrat” (SDP, 2008). HRMU, together with MOH’s Environmental Health Department and the Labour Department, can co-ordinate regular inspections of workplaces and the measuring, recording, and monitoring of air-quality and other metrics in each of GOM’s Departments and units.

41. Reduce/eliminate all forms of pollution. HRMU, together with MOH’s Environmental Health Department and the Labour Department, can co-ordinate policies and programmes to identify, to measure, and to reduce/eliminate pollutants of all kinds, including those that affect food, water, air, clothing, machines, equipment, public service areas, and other interfaces with the workforce. The importance of this issue is very well captured in the following recent warning statement from the UK Chief Medical Officer (Annual Report, 2017, p. 11):

“Instead of being seen as a *health* issue, pollution is often seen primarily as an *environmental* problem. This needs to change. As a society, we need to regain a focus on pollution as a threat to human health.

“By and large, pollution is currently thought of as an acute health threat: something [that] elicits a negative health response following a ‘dose’ of exposure. We think of pollutants as rapid poisons, rather than long term risk factors for a variety of diseases. However, this is not the case; evidence shows that many pollutants are risk factors for a range of NCDs such as cardiovascular disease, cancer, asthma, and chronic obstructive pulmonary disease. We need to investigate the longer-term impacts of lower level pollution exposure; this exposure is likely to have a significantly deleterious impact at a population level [owing] to the extent of the exposure. Pollution should be recognised for what it is: a significant cause of NCDs. Addressing pollution is therefore disease prevention” [bolding added for emphasis throughout].

42. Increase precautions/protection in high risk workspaces. In line with the Labour Code, this also means giving extra and special care to employees who routinely work in high risk environments e.g., MCW's workshop; sanitation workers; healthcare employees; outdoor workers (e.g., MUL's distribution and sewage divisions; MOA's Environment Department and those who work with farmers, forests, and fisheries; and MCW's Land & Surveys Department and infrastructure/construction teams). According to our survey of GOM employees, adequate, up-to-date, purpose appropriate, and well-maintained clothing, protective gear, footwear, tools, equipment, vehicles, and retraining programmes are evidently still needed in many departments. The HRMU, the Civil Service Association, the MOH, as well as the Labour Department must collaborate with Heads of Department to ensure that each of the GOM's departments, statutory bodies, and State-owned enterprises, is compliant with all relevant provisions of the Labour Code, with the MPS's General Orders, and with other applicable HR standards and policies.

43. Implement Health & Safety Policies and Emergency Plans. Contrary to the Labour Code, our survey found, for instance, that the majority of employees did not know about their Departments' health and safety policies and/or emergency plans, or even whether they existed. At the minimum, we strongly recommend that each Department design, discuss, and regularly practise these steps:

- (a) The first step is to ensure that every Department has appropriate policies and plans.
- (b) The second step is to review them at least annually and to keep them current with workplace conditions and employees' needs.
- (c) The third step is to share them with all employees in each Department, including their feedback and inputs.
- (d) The fourth step is to educate and to train employees in each aspect of these policies and plans.
- (e) The fifth step is to have rehearsals and practical sessions at least annually to assess, for example, (a) first aid skills, (b) disaster preparedness, (c) fire drills, (d) safety procedures, (e) backup batteries, fuel, and generators, (f) emergency communication equipment and channels, et cetera.
- (f) The HRMU, the Civil Service Association, the MOH, as well as the Labour Department must collaborate with Heads of Department to ensure that each of the GOM's departments, statutory bodies, and State-owned enterprises, is compliant with all relevant provisions of the Labour Code, with the MPS's General Orders, and with other applicable HR standards and policies.

44. Implement health & wellness programmes. It is recognised that the leading causes of morbidity and mortality locally and regionally are predominantly chronic non-communicable diseases, which are all preventable with appropriate diet and lifestyle (UK Chief Medical Officer, 2015, Chapter 1, p. 11-13). In Montserrat, the top 3 causes of death are diabetes, hypertension, and heart disease (Chief Medical Officer, 2012, p. 4). Almost 50% of hospital admissions in Montserrat are related to diabetes and hypertension alone (ibidem, p. 5).

45. Hence, the GOM's healthcare expenses and absenteeism costs can be greatly reduced, and the MPS's productivity and life quality correspondingly improved, (1) by educating and empowering all employees to make wiser choices and better daily habits, and (2) by establishing and nurturing a supportive environment: e.g., addressing in very practical ways such vital issues as

- (a) Smart nutrition (including better menu-planning for all workplace events/entertaining),
- (b) Healthful cooking,
- (c) Power naps,
- (d) Better sleep quality,
- (e) Effective stress management,
- (f) Nutrient supplementation,
- (g) Exercise and wholesome outdoor activities,
- (h) Counselling and mentoring,
- (i) Proactive mental health support,
- (j) Improved time management, and
- (k) Replacing toxic personal care and cleaning products with safe natural ones at home and in all workplaces, etc.) (Chartered Institute of Personnel and Development, 2017).

Likewise, the Montserrat Chief Medical Officer's Annual Report for the year 2011 has several pages describing the importance of (1) self-responsibility, (2) early intervention, (3) island wide health education, (4) better dietary choices, and (5) the improvement of lifestyle variables for all age groups: from the young to the elderly (CMO, 2012, p. 11 to 16). This will help in great measure to fulfil the national vision of "A Healthy and Wholesome Montserrat" (SDP, 2008).

46. Invest in prevention. Ultimately, proactively maintaining high levels of wellness is an effective investment in human capital with immediate returns as well as increasing long term benefits. Failure to invest in wellness will lead to ever higher costs of sickness within the MPS and, by extension, throughout the society. As the GOM's national budget is already constrained, and the on island medical facilities are very limited, and many services are not even available locally, any increase in chronic lifestyle related morbidity will have very serious financial, social, HR related, and economic consequences.

47. By contrast, consistent support and early interventions will, among other benefits, (1) enhance employees' wellbeing, (2) avoid escalation of minor illnesses into chronic diseases, (3) minimise risks of accidents and injuries to employees and to the public, and (4) minimise long term risks and costs to the individual, to the Department, and to the GOM. The large body of sickness related evidence that we have summarised in this report and the strong negative trends presented earlier in this chapter are urgent and compelling grounds for swift initiation of systematic and sustained efforts to optimise employees' health.

48. Leadership, cultural change & smart partnerships. Within and beyond GOM workplaces, the paradigm must shift from the status quo of high cost secondary healthcare (which is effectively oriented to accidents, crises, and disease management after the fact) to self-responsibility and prevention at a small fraction of the cost. The HRMU, the EEP team, and Heads

of Department could collaborate to design, to create, and to institutionalise wellness throughout the MPS, starting with themselves to be leaders by example. Strategically, partnerships with community groups, churches, and schools will be important to spread and to reinforce these benefits throughout the society, both to reduce the GOM's overall healthcare-expenditures, and to create a healthier future workforce by inculcating wellness-programmes from the earliest ages.

49. Monitoring and review-mechanisms. Given the absence of documented evidence of any actively implemented systems for identifying, for recording, for monitoring, and/or effectively utilising many aspects of employee data, client satisfaction, and external communication, it is essential that the HRMU work closely with Heads of Department throughout the MPS to establish a standard template for weekly and monthly reporting of faults, of complaints, and of feedback from employees as well as clients and other stakeholders. In line with best practices, all reasonable efforts ought to be exerted to ensure that exceptional items are highlighted promptly for the soonest redress of (i) any grievances with employees, clients, or suppliers, (ii) process related or documentary deficiencies, and (iii) service quality issues. Data analysis can then ensue to show categories, trends, actions, costs, benefits, and progress in various employee satisfaction, service delivery, and client relationship issues within each year and between years.

50. Implement Strategic Human Resources Management. The HRMU urgently needs an integrated and comprehensive approach to data gathering, to information processing, and to reporting: e.g., (a) to enhance the work of the Montserrat Statistical Department, ODG, OOP, and other authorities, (b) to allow regular performance reporting, and (c) to boost the databases for strategic planning, recruitment, training, promotions, transfers, and evidence based policy formulation. A Balanced Scorecard paradigm can provide a framework for creating regulatory and managerial dashboards and high quality quarterly and annual performance reports at all levels of the public sector. This can be integrated into a performance-based rewards and recognition system within GOM: for example,

- (a) To celebrate individual achievements (e.g., recognising and rewarding those with 0 to 4 days of sickness absence for the year),
- (b) To monitor departmental progress (e.g., overall reductions in unplanned absences; higher levels of employee satisfaction; higher levels of client satisfaction), as well as
- (c) To highlight areas needing remediation (e.g., recurrent and/or excessive absences, complaints about supervisors/managers, and delays or deficiencies in the repairs/maintenance of workplaces, as well as Departments' furniture, tools, equipment, and vehicles).

51. Annual employee & stakeholder surveys. It is highly recommended that the HRMU perform annual surveys [1] of employees and [2] of those that provide goods or services to the public sector (e.g., janitors, repair personnel, vendors of equipment and software, consultants, and trainers) to assess such factors as these:

- (a) Levels of satisfaction among each stakeholder group,
- (b) Employees' attitudes towards their (i) jobs, (ii) workplaces, and (iii) Department/Manager/Employer/GOM,

- (c) The scope, the scale, and the intensity of usage of ICT,
- (d) New failures or successes in service delivery, and
- (e) Remaining performance gaps, with ensuing personalised plans for human resource development within Departments and, in turn, at the personal level with objective metrics for successful outcomes.

Create an open environment in which valid criticism is welcomed and new and better ideas, processes, technologies, and tools are embraced, documented, and tested, regardless of their source or the rank of the contributor. In each Department, document, demonstrate, measure, and report satisfactory action on resolving at least one significant employee-related complaint, recommendation, or issue each year.

52. Annual customer surveys. Each Department must be empowered with the resources to achieve surveys of clients/users of the Department's services at least annually. This national effort would complement a programme to encourage each of GOM's suppliers and service providers to perform its own quarterly or annual surveys of customers to assess factors such as these:

- (a) Clients' level of satisfaction with products/services received,
- (b) Attitudes to the service-provider and to Montserrat,
- (c) Customers' usage of goods, services, facilities, tours, excursions, and/or other aspects of operations/business,
- (d) Stakeholders' perceptions of new failures or successes in service-delivery, and
- (e) Remaining performance-gaps (e.g., persons' actual service-experiences versus their emerging needs, preferences, and expectations).

Hence, Departments can develop personalised plans for public relations, improved service, for HR development, and for business process and ICT enhancements towards optimisation within each service-unit (Jones, Hackney, & Irani, 2007). Because it is often the biggest client or a major client, the GOM, as well as its various Ministries/Departments, both individually and collectively, can fruitfully influence vendors, merchants, and service providers of all kinds to improve their product quality and service to all customers on the island. In every Department, document, demonstrate, measure, and report satisfactory action on resolving at least one significant customer-related recommendation, complaint or issue each year.

CHAPTER 4: CAUSES AND COSTS OF ABSENCES

Findings of the Audit: Causes

53. Survey-Results: Part 1: Bio-Data of MPS Employees:

[a] ORIGIN / Nationality		Native to Montserrat	72%		Expatriate	28%	
[b] TENURE in the MPS	<1 year	1 to <5 years	5 to <10 years	10 to <20 years	20 to <30 years	30 to <40 years	Over 40 years
	3%	15%	17%	32%	28%	5%	0%
[c] AGE-RANGES	20 to 29 years	30 to 39 years	40 to 49 years	50 to 59 years	60 to 69 years	>69 years	
	18%	31%	26%	24%	1%	0%	
[d] MARITAL STATUS		Single / Divorced	75%		Married/ Common-law	25%	
[e] FAMILY-STATUS		No children	28%	Dependent children	60%	Independent children	22%
[f] EMPLOYED STATUS		Permanent	92%		Contracts	8%	
[g] *CARE-GIVER ROLES	(*some have >1)	Care for Children	Care for Parents	Care for Elderly Rel.	Care for Others	Total % Caregivers	None
		64%	22%	3%	4%	69%	31%
[h] Do any personal factors affect attendance?		NO	67%		YES	33%	

54. Survey-Results: Part 2: Workplace-Factors & Employees' Ratings of Them:

[a] PERSONAL SAFETY:	Completely Unsafe	Very Unsafe	Quite Unsafe	Quite Safe	Very Safe	Completely Safe
	2%	8%	19%	26%	31%	14%
	Total % UNSAFE	29%		Total % SAFE	71%	
[b] LEVEL OF COMFORT:	Completely Uncomfortable	Very Uncomfortable	A Bit Uncomfortable	Quite Comfortable	Very Comfortable	Completely Comfortable
(e.g., space, furniture, temperature)	0%	7%	22%	42%	26%	3%
	Total % Uncomfortable	29%		Total % Comfortable	71%	
[c] SECURITY OF PREMISES:	Completely Insecure	Very Insecure	A Bit Insecure	Quite Secure	Very Secure	Completely Secure
	1%	10%	25%	33%	24%	7%
	Total % INSECURE	36%		Total % SECURE	64%	
[d] YOUR WORKLOAD:	Over-whelming	Very Heavy	A Bit Heavy	Quite Light	Very Light	Extremely Light
	3%	21%	57%	14%	3%	2%
	Total % HEAVY	81%		Total % LIGHT	19%	
[e] How is the ATMOSPHERE in Your Workplace?	Extremely Bad	Very Bad	A Bit Bad	Quite Good	Very Good	Excellent
	3%	6%	24%	29%	28%	11%
1 st 4 ratings = "NOT GOOD ENOUGH"	Total % Quite Good to Extremely Bad	61%	Last 2 ratings = "GREAT!"	Total % Very Good to Excellent	39%	

55. Survey-Results: Part 3: Employees' Views of Absenteeism within Their Dept.:

[a] Rate the Overall Frequency / Impact	Not at all Important	Slightly Important	Average Importance	Very Important	Extremely Important
	3%	36%	7%	43%	11%
	Total % Avg. to Not Important	46%		Total % Very / Extremely	54%
[b] Trend in the Past Few Years	WORSE (more absences)		About the SAME		BETTER (fewer absences)
	25%		63%		13%
	Total % Same/WORSE	87%		Total % BETTER	13%
[c] How often is your Dept. affected?	DAILY	WEEKLY	EVERY 1 TO 2 WEEKS	MONTHLY	RARELY (Less than monthly)
(Especially unplanned/ unexpected absences)	0%	15%	10%	22%	53%
	Total % WEEKLY/ MONTHLY	47%		Total % Less Than Monthly	53%

56. **Survey-Results: Part 4: Impact of Absenteeism on Employees & Their Dept.:**

Below are employees' responses, listed from the most frequently mentioned ones to the least frequently mentioned ones. However, this does not reflect their importance; each issue/impact deserves respectful consideration and attention to improvement.

- [1] **EXTRA WORK FOR CO-WORKERS**
- [2] **CAUSES DELAYS**
- [3] **SERVICE TO CLIENTS / CARE TO PATIENTS IS REDUCED OR WORSE**
- [4] **COWORKERS ARE RECALLED FROM VACATION/LEAVE**
- [5] **OVERTIME INCREASES**
- [6] **SOME ACTIVITIES HAVE TO BE CANCELLED OR RE-SCHEDULED**
- [7] **INCREASED RISK OF ERRORS, OMISSIONS, OR MISTAKES**
- [8] **SETS A BAD EXAMPLE (ESPECIALLY, AMONG SUPERVISORS/MANAGERS)**
- [9] **IF WE DO NOT HAVE 4 OFFICERS AT THE AIRPORT, SOME AIRCRAFT CANNOT LAND.**

57. **Survey-Results: Part 6 [A]: Employees' Main Reasons for Absences:**

Below are employees' responses, listed from the most frequently mentioned ones to the least frequently mentioned ones. However, this does not reflect their importance; each issue/impact deserves respectful consideration and attention to improvement.

- [1] **EMPLOYEES' OWN SICKNESS**
- [2] **PERSONAL PROBLEMS / ISSUES: E.G., PROBLEMS AT HOME; PERSONAL ERRANDS OR APPOINTMENTS (WORK-HOURS CLASH WITH BUSINESS-HOURS)**
- [3] **SICKNESS OF CHILDREN**
- [4] **BEING OVERWORKED / STRESS / TIREDNESS / EXHAUSTION**
- [5] **FRUSTRATION WITH WORKPLACE / SUPERVISORS / ENVIRONMENT**
- [6] **POOR MORALE; LACK OF MOTIVATION**
- [7] **MENSTRUAL CYCLE**

- [8] **COMPENSATION-RELATED ISSUES: [10] [A] LOW PAY; [10] [B] OVERTIME IS NOT COMPENSATED**
- [9] VICTIMISATION; BULLYING/HARRASSMENT
- [10] PROBLEMS WITH COWORKERS
- [11] SOME ARE LAZY BUT IT IS HARD TO FIRE PERMANENT WORKERS
- [12] LACK OF APPRECIATION OR RECOGNITION OR ENCOURAGEMENT
- [13] FAVOURITISM; UNFAIRLY TREATED
- [14] NOT ENOUGH VACATION-LEAVE FOR JUNIOR OFFICERS
- [15] DELAYS OF FLIGHTS / FERRY; TRIP-CANCELLATIONS [DELAYS RETURN TO WORK]

58. Survey-Results: Part 6 [B]: Employees' Main Reasons for Dissatisfaction:

Below are employees' responses, listed from the most frequently mentioned ones to the least frequently mentioned ones. However, this does not reflect their importance; each issue/impact deserves respectful consideration and attention to improvement as dissatisfying elements in the workplace contribute to poor performance as well as absenteeism.

- [1] **SUPERVISOR'S ATTITUDES OR BEHAVIOUR**
- [2] **NOT ADEQUATELY COMPENSATED**
- [3] **FRUSTRATION RE LACK OF RESOURCES; INCLUDING DELAYS IN GETTING THINGS APPROVED/DONE**
- [4] PROBLEMS AT WORK WITH COWORKERS
- [5] **DISCRIMINATION: E.G., AGAINST NON-MONTSERRATIANS; VICTIMISATION OR BEING TREATED LESS WELL THAN OTHERS IN THE DEPT.;**
- [6] **BEING OVERWORKED / STRESS / EXTENDED OR EXTRA SHIFTS**
- [7] UNHAPPY WITH WORKPLACE CONDITIONS
- [8] NOT FEELING RECOGNISED OR APPRECIATED
- [9] **POOR COMMUNICATION BETWEEN DEPARTMENTS**
- [10] REMAINING IN THE SAME POSITION FOR SEVERAL YEARS
- [11] LACK OF CLEAR GUIDANCE
- [12] LACK OF MOTIVATION

[13] NOT ENOUGH VACATION-LEAVE FOR JUNIOR OFFICERS
(especially for overseas home-visits)

59. **Survey-Results: Part 7 [A]: Human Resources Mgt. Policies & Practices:**

Below are employees' responses, listed from the most frequently mentioned ones to the least frequently mentioned ones. However, this does not reflect their importance; each issue deserves respectful consideration and attention to improvement as inadequate or missing elements of health and safety in the workplace contribute to poor performance as well as absenteeism.

[A] [What are your Dept.'s Health & Safety Policies?] [1] **DON'T KNOW / NO POLICY (54%)**

[B] [Our Department has/provides:]

[2] FIRE-EXTINGUISHERS (72%)

[3] FREE MEDICAL CHECKS (43%)

[4] SMOKE/FIRE DETECTORS; FIRE-ALARMS (35%)

[5] ADEQUATE SHOES, GEAR ETC.; PROTECTIVE CLOTHES (26%)

[6] **EMERGENCY-PLANS** E.G., EARTHQUAKES; HURRICANES (only 24%)

[7] **FIRST-AID KITS** (only 19%)

[8] WE HAVE A FIRE-EXIT (OR AT LEAST EXIT-SIGNS) (15%)

[9] FIRE-DRILLS (14%)

[10] DESIGNATED FIRE-WARDENS (7%)

[11] **HEALTH / SAFETY SEMINARS / TRAINING** (only 7%)

[12] 2-WAY RADIOS (WALKIE-TALKIES) FOR EMERGENCIES (WHEN NORMAL PHONES ARE NOT WORKING) (3%)

[13] WE HAVE A SECURITY-GUARD (1%)

[14] WE HAVE A FIRE-HYDRANT (1%)

[15] WE HAVE **BACK-UP POWER** / GENERATORS (only 1%)

[16] A/C UNITS MAINTAINED (E.G., REGULARLY CLEANED) (0%)

[17] BUILDING WELL MAINTAINED (E.G., SOME REPORTED BROKEN WINDOW-PANES) (0%)

Note: No employees were certain of whether there was any regular schedule of service or maintenance for air-conditioning units or buildings where they worked. By contrast, most could quickly mention items that were not provided, not repaired, &/or not in working condition.

60. Survey-Results: Part 7 [B]: Any instances of Job-Related Injuries or Deaths?

[i] INJURIES:	YES	28%	NO	72%
[ii] DEATHS:	YES	0%	NO	100%

61. Survey-Results: Part 8: MPS Employees' Attitudes Towards Absenteeism:

[a] Do persons see sickness-leave as a right or as an entitlement?	NOBODY	A FEW	SOME	MOST	EVERYONE
	14%	43%	24%	18%	1%
	Total % YES (columns 3 to 6)	86%		Total % NO (column 2)	14%
[b] Do persons take sickness-leave even when they are not truly ill?	NOBODY	A FEW	SOME	MOST	EVERYONE
	11%	50%	31%	8%	0%
	Total % YES (columns 3 to 6)	89%		Total % NO (column 2)	11%

62. Survey-Results: Part 9: Quality of Supervision/Management of Employees:

[a] How smoothly is your Dept.'s structure operating?	VERY POORLY	POORLY	AVERAGE	VERY WELL	EXCELLENTLY
	3%	7%	40%	44%	6%
	Total % Average to Very Poorly	50%		Total % Above Average	50%
[b] To what extent is there succession-planning?	NONE	A LITTLE	SOME	MUCH	EVERYONE
	44%	32%	24%	0%	0%

	Total % Little / none	76%		Total % Some	24%
[c] Are there clear career-pathways?	NO	43%		YES	57%

63. Survey-Results: Part 9: The Challenges Facing MPS Employees or Their Dept.:

Below are employees' responses, listed from the most frequently mentioned ones to the least frequently mentioned ones. However, this does not reflect their importance; each issue deserves respectful consideration and attention to improvement as inadequate or missing elements of satisfaction, health and/or safety in the workplace contribute to poor performance as well as absenteeism.

- [1] **UNDERSTAFFING; STAFF TURNOVER; HARD TO ATTRACT QUALIFIED PERSONS**
- [2] **LACK OF RESOURCES; INADEQUATE FUNDING;**
- [3] **DELAYS IN GETTING ADEQUATE SUPPLIES, TOOL, OR EQUIPMENT**
- [4] **NEED BETTER COMMUNICATION**
- [5] **NEED MORE TRAINING AND FAIRER ALLOCATION OF OPPORTUNITIES**
- [6] **OVERLOADED OR OVERWORKED**
- [7] **SENIOR OFFICERS' ATTITUDES / MOODS; INTERPERSONAL ISSUES**
- [8] **DELAYS OFTEN OCCUR BETWEEN DEPARTMENTS**
- [9] **SOME APPROVAL PROCESSES TAKE TOO LONG**
- [10] **WORKPLACE-DESIGN AND/OR ENVIRONMENTAL ISSUES**
- [11] **CHALLENGES IN GETTING PEOPLE TO WORK TOGETHER**
- [12] **SOME LAWS & REGULATIONS ARE OUTDATED E.G., LICENSING RULES NEED TO BE AMENDED E.G., TO ALLOW ONLINE RENEWALS**

64. Survey-Results: Part 10: Work-Schedules of MPS Employees:

[a] How satisfied are you with your Dept.'s current hours and days of operating?	UNHAPPY		OKAY	VERY GOOD	
	13%		43%	44%	
	Total % Unhappy	13%		Total % Satisfied	87%
[b] Would you prefer a different	YES		NO		

schedule/flexi-time?					
	57%		43%		

65. Survey-Results: Part 11: Job-Satisfaction of MPS Employees:

[A] How satisfied are you with the JOB/WORK itself?	BAD RATINGS	BAD RATINGS	LOW RATINGS	LOW RATINGS	HIGH RATINGS	HIGH RATINGS
COMPLETELY UNHAPPY	VERY UNHAPPY	A BIT UNHAPPY	NEUTRAL	A BIT SATISFIED	VERY SATISFIED	COMPLETELY SATISFIED
1%	3%	8%	10%	18%	47%	13%
Low to bad ratings =	Total % UNHAPPY	40%		Total % Satisfied	60%	High ratings
[B] How satisfied are you with the WORKPLACE/ environment?						
COMPLETELY UNHAPPY	VERY UNHAPPY	A BIT UNHAPPY	NEUTRAL	A BIT SATISFIED	VERY SATISFIED	COMPLETELY SATISFIED
3%	8%	18%	6%	35%	25%	5%
Low to bad ratings =	Total % UNHAPPY	70%		Total % Satisfied	30%	High ratings
[C] How satisfied are you with the COMPENSATION?	(including benefits, leave, etc.)					
COMPLETELY UNHAPPY	VERY UNHAPPY	A BIT UNHAPPY	NEUTRAL	A BIT SATISFIED	VERY SATISFIED	COMPLETELY SATISFIED
6%	11%	24%	7%	35%	17%	1%
Low to bad ratings =	Total % UNHAPPY	82%		Total % Satisfied	18%	High ratings

66. Survey-Results: Part 12 [A]: Motivation of MPS Employees: What do you ENJOY most about your work or workplace?

- [1] HELPING OR SERVING PEOPLE
- [2] ENJOY MY WORK/JOB
- [3] LEARNING NEW THINGS
- [4] FRIENDLY COWORKERS; CAMARADERIE WITH COWORKERS
- [5] TEAMWORK

- [6] VARIETY E.G., WORKING IN VARIOUS DEPTS.; E.G., SEEING NEW THINGS
- [7] MEETING PEOPLE
- [8] WORKING OUTDOORS
- [9] CONTRIBUTING TO NATIONAL DEVELOPMENT
- [10] JOB-BENEFITS E.G., WE GET UNIFORMS (THEREFORE, WE DON'T HAVE TO SPEND PERSONAL FUNDS ON CLOTHES)
- [11] OVERSEAS TRAINING / COMPETITIONS / OPPORTUNITIES
- [12] JOB-SECURITY
- [12] MINIMAL SUPERVISION; NOT BEING MICRO-MANAGED
- [14] RELATIONSHIP WITH SUPERVISOR / SENIORS

67. Survey-Results: Part 12 [B]: Motivation of MPS Employees: What do you DISLIKE most about your work or workplace?

Below are employees' responses, listed from the most frequently mentioned ones to the least frequently mentioned ones. However, this does not reflect their importance; each issue deserves respectful consideration and attention to (further) improvement as inadequate or missing elements of satisfaction, health and/or safety in the workplace contribute to poor performance as well as absenteeism.

- [1] SOME COWORKERS
- [2] DELAYS IN PROCESSES AND/OR GETTING APPROVALS (EITHER INTERNALLY OR FOR CUSTOMERS)
- [3] LACKING SOME TOOLS / VEHICLES / EQUIPMENT / GEAR
- [4] ATTITUDES / MANNER OF SENIOR OFFICERS E.G., DISCRIMINATION; E.G., FAVOURITISM
- [5] UNDER-STAFFED; OVER-WORK; HEAVY WORKLOAD
- [6] WORKPLACE DESIGN / ENVIRONMENTAL ISSUES
- [7] ANTI-FOREIGNER BIASES
- [8] NOT ENOUGH COMMUNICATION
- [9] INADEQUATE PAY; NOT BEING PAID FOR OVERTIME WORK
- [10] LACK OF GROWTH / TRAINING
- [11] LACK OF APPRECIATION OR RECOGNITION

[12] THE MANNER IN WHICH PROMOTIONS ARE HANDLED

[13] DISGRUNTLED CUSTOMERS

[14] OUTDATED POLICIES, RULES, LAWS &/OR REGULATIONS

[14] SOME PERSONS RESIST CHANGE

[15] LEAVE-DAYS CAN BE LOST/FORFEITED

68. Low levels of employee satisfaction. Degrees of dissatisfaction or low levels of satisfaction are widespread among surveyed employees. Whilst many expressed satisfaction with their jobs/work, dissatisfaction was low to high regarding workplace/environment: e.g., (a) grievances with co-workers/supervisors; (b) lack of training; (c) lack of opportunities for development/promotion; (d) unfair treatment; (e) biases against non-Montserratians; and (f) lack of/inadequate buildings, furniture, tools, equipment and/or protective gear). Dissatisfaction was worst of all regarding elements of compensation: e.g., (a) low salaries; (b) being underpaid for their actual level of work/responsibilities/qualifications; (c) no increases for several years; (d) no compensation for overtime for many persons; (e) lack of hazard/responsibility allowances for some departments; and (f) no telephone/travel/other allowances for many persons, particularly those who work outdoors and therefore are compelled to use personal phones for communication with their departments.

69. The majority of departments are under resourced. The vast majority of interviewees reported deficiencies of various kinds, including (a) understaffing, (b) inadequate training and development for new and junior employees, and (c) lack of, or inadequate provision of, amenities, furniture, workspace, tools, equipment, vehicles, and/or suitable protective gear. In many instances, requests for repairs, for maintenance, for training, for recruitment, and/or for procurement/replacement of appropriate assets have been ignored or delayed for weeks, for months, or even for years. This contributes to widespread dissatisfaction among employees and also hinders effective service to the public. Over time, the opportunity costs of neglect and delays exceed the actual direct cost of obtaining the required resources that will empower departments with the people, the premises, and the tools needed to do their jobs well.

70. The rising risks of under-investment. As an example, employees of the Fire Department (which also operates ambulance-services and search and rescue operations) complained that it has been operating with second-hand tools and equipment from fire service departments in the United Kingdom. Across many departments, this sentiment was echoed: we need to have up-to-date training, tools, equipment, standards, and modus operandi. In too many instances, surveyed employees noted that things are neglected until they reach a point of crisis, or until an accident or injury occurs. In the long term, delayed restoration, remediation, and post-event recovery are far more expensive than prevention and proactive training and investments.

71. Training is widely lacking. Most interviewees acknowledged this point. The lack of a systematic approach to training and development creates a steep learning curve for new recruits and limits the progression of long-term careers. Such an environment also discourages potential high calibre candidates from applying for vacancies and/or from remaining within the public sector over the long term. This has significant adverse implications for succession planning, for operational efficiency, and for service quality. Many persons reported having not received enough training, if any at all, and observed that regional/international training opportunities were few and not fairly distributed across all the staff within each department. A frequent comment was that such training was essential (1) to ensure professionalism within the public service, (2) to promote international standards locally, and (3) to achieve a regionally competitive public service (e.g., attracting talent) and economy (e.g., attracting visitors/investors).

72. Lack of monitoring. From the evidence that we found, there is no comprehensive system that is documented for checking, for monitoring, or for reviewing critical metrics such as (a) service quality, (b) employee satisfaction and achievements, (b) client satisfaction, (c) fault calls, and (d) disruptions to service/utility delivery. Matters are usually handled (e.g., by telephone or in person) whenever they arise, but without adequate records in most cases. Hence, in many instances, valuable organisational history, service-related data, and useful statistics are unavailable and/or they are available but are not being used. Happy employees create positive service outcomes and satisfied public-service customers, which, in turn, reinforce employees' sense of satisfaction, purpose, and meaningful contribution to national development.

73. The Environment for Human Resources Management.

(a) Telecommunications: The Department of Information Technology and E-Government Services (DITES) maintains an intranet for GOM employees. This complements the Internet connectivity provided by FLOW and by Digicel. However, upload and download speeds are very slow (e.g., no more than 1 to 3 Mbps) by international norms and by regional standards, including the comparable services provided by these companies to their customers in neighbouring islands (e.g., 50 to 100 Mbps or more). The pre-1995 inter island cable, which facilitated (1) robust connectivity, (2) resilience during and following hurricanes or other natural disasters, and (3) high speed fibre optic service, was destroyed and has never been replaced. Since then, the island has relied on wireless Internet service via radio waves from Antigua.

(b) Transportation: On the island, there is no national transit system or scheduled service. The privately-owned public service vehicles offer very low fares, but they are mostly limited to daytime hours on work days (Monday to Friday) with little or no availability after 6 p.m., during weekends, and during public holidays. In those three instances, the fare nearly doubles. This poses difficulties for those employees (e.g., at the ferry port, at the airport, and at the Glendon Hospital) who work in shifts outside of the normal 8 am to 4 pm for GOM's employees in most Departments.

(c) Utilities: The island's water supply and sewage services are excellent, but, since October 2016, the island's State-owned monopoly for electricity has had several challenges (e.g.,

aging equipment, and failing generators), and the power supply has been frequently interrupted (including right up to February 2018). Very few GOM departments, businesses or service providers have alternate sources of energy; this results in disruptions of service to, within, and between GOM departments and to the public alike.

75. Inadequate infrastructure and maintenance. Although significant progress has been made in recent years to provide modern accommodation for many departments, several departments remain in unsatisfactory working conditions. Moreover, repairs and maintenance are too often late or delayed and even the newer buildings have proven to have some issues needing remedy: e.g., slippery exterior floor tiles near the entrance caused an employee injury at the Ministry of Health's new Headquarters in Little Bay; the landlord subsequently replaced some of these but not all around the building. Many surveyed employees complained of such issues as the following: (a) leaking roofs, (b) mould, (c) fungus, (d) no air conditioning in some workspaces, (e) non-functioning air conditioning units in other instances, (f) lack of appropriate furniture, (g) lack of amenities (e.g., no separate dining area for staff at the nursing home; no designated sick-bays in workplaces; and/or no rest-areas for night shift nurses), (h) broken window-panes, (i) inadequate lighting, and (j) lack of security (e.g., no exterior cameras; unmanned entrances; unlocked or otherwise unsecure exterior doors).

Findings of the Audit: Costs

76. Direct cash-costs of absences. The GOM's budget for the fiscal year 2016/2017 gives personal emoluments (salaries and allowances) totalling approximately \$47 million; this is roughly an average of \$48,000 per MPS employee per year. The effective number of work days is (365 calendar days – 104 weekend days – 11 public holidays =) 250 per year, thus yielding an average direct labour cost of about \$200 per day, including GOM's Social Security contributions. However, since most posts are established and pensionable, it is estimated that the true average annual pension cost per employee across the MPS would be significantly higher than the 5% paid by the employer for Social Security. One reason is that Social Security is limited to the first \$4,000 per month of an employee's income, whilst GOM's pension-benefits are based on total emoluments, and thus represent a full defined-benefit scheme rather than a limited defined benefit such as Social Security, or a defined contribution scheme as most private pension schemes/annuities are.

77. Negative externalities. To this direct cost of absences must be added the indirect costs of negative externalities and the opportunity-costs arising from employees' absences: e.g., delays, extra burden on co-workers, overtime, lost productivity, reduced public services, inconveniences, learning curve costs for substitutes and persons acting for absent persons, et cetera. As the Treasury's accounting system does not separately identify and accumulate most of the sub-elements even within direct salaries and wages (e.g., overtime, acting allowances, payments to substitutes, etc.), we were unable to gain sufficient evidence to quantify all costs precisely. Imputing estimates, ranging from 50% to 100% of salary cost at the higher end to 25% of salary-cost at the lower end of the cost-spectrum, yields a provisional range of at least \$50 to \$200 per day of absence, or a median figure of \$100.

78. Total costs of absences. Combining the previous calculations of \$200 per day for direct costs and \$50 to \$200 per day for indirect costs, we arrive at an overall estimated range of \$250 to \$400 per absence day. On the estimated aggregate of 18,000 non-vacation absence days during the year 2017, this would produce an overall public-sector economic cost of \$4.5 million to \$7.2 million per year. A more detailed activity-based costing within Departments would be necessary to estimate the diversity of actual cost-ranges, having record to the wide range of functions and sizes of GOM Departments (e.g., as few as 2 persons in MOA's Trade Department to well over 100 employees in MOH's Secondary Healthcare Department). Generally, the smaller a Department is, the greater is the impact of any one employee's absence. However, even in large organisations, such as MOH and Glendon Hospital, our survey revealed that the total cost is often much higher than average to the GOM (and by extension the public). This is especially true in instances of specialist skills and the fact that there are only one or two persons permanently employed within the entire MPS (or even on the island, including the private sector) in some vital occupations or specialist roles (e.g., anaesthetist, dentist, cardiac surgeon, geothermal engineer, et cetera).

79. Supplemental estimates of costs of absences. It is useful to note the well documented findings of governments and organisations in other countries as a benchmark for estimating and evaluating absence-costs across the MPS. Various surveys have provided estimates ranging from 20% to 34% of total payroll-costs (A. Carofano, Controlling the Cost of Absenteeism: The CFO Perspective, p. 6). Applying that range to GOM's direct costs of \$47 million yields an estimated range of \$9 million to \$16 million per year. Including MPS vacation-days (roughly 21,000 per year), estimated total direct and indirect costs of all forms of leave, and adding provisions of 1% to 10% for unrecorded absences (e.g., many departments do not have complete records and/or do not record part-of-a-day sickness-claimed absences at all) and for various errors and omissions within absence-reports, we arrived at an upper estimate of \$12.9 million to \$16.2 million per year.

Analysis of the Findings

77. Poor/under-use of electronic systems. Many Departments, as well as many businesses in Montserrat, have limited and inadequate internal administrative systems. Some have made excellent progress towards online reservations and credit-card payments (e.g., the ferry-service), but too few have improved from an all-cash and manual-process historical basis towards substantial use of electronic data-entry, of electronic accounting, and of electronic approval and processing of cheque-payments, coupled with increasing use of electronic transfers and direct deposits to bank-accounts. Moreover, in many client-facing functions, there is little or no use of electronic channels (e.g., they have no websites and/or online channels are greatly under-utilised e.g., key revenue-centres such as the IRD, MCRS, the airport, the Treasury, and MUL). The availability of e-commerce websites, online accounts, and online banking would enable real-time confirmation and viewing of transactions by employees as well as all customers, suppliers, or stakeholders interacting with service-providers in any capacity.

78. Utility-deliveries are adequate, but infrastructure is not. Large and growing risks and inefficiencies affect the current infrastructure. Generally, MUL is meeting its mandate to provide island-wide coverage of all three utility-services, but water-storage is well below standard 3-day levels. Power-supply is under constant risks of failing generators and costly repairs. The majority of water-pipes are many years old and have been fixed or replaced mostly when they break, rather than strategically replaced and upgraded year by year. Within the more recently constructed buildings providing accommodation for GOM Departments, many employees reported (a) prolonged waiting for repairs or maintenance, (b) lack of ergonomic design of furniture or workspaces, (c) missing or inadequate tools, equipment, and amenities.

79. Underdevelopment of human resources. Most of the persons surveyed reported lack of trained staff and infrequent opportunities for training on Montserrat. We generally observed that many persons in the public sector do not have post-secondary certificates, university-degrees, and/or professional credentials. Over the past 20 years, more than 50% of the population, including many persons who had valuable knowledge, experience and skills within the public service, left the island permanently. Attracting and retaining suitable candidates has been challenging for filling many vacancies, some of which have persisted for months.

Discussion & Conclusions

80. Many opportunities for improvement. There is much room for improvement within such areas as the following:

- (a) Compensation, recognition, supervisory skills, and employees' satisfaction,
- (b) The level of service, customer-satisfaction, and the quality of service channels,
- (c) The quality of infrastructure and subsequent repairs and maintenance,
- (d) The hiring, induction, retention, succession planning, professional development, and continuing training/retraining of employees, and
- (e) The overall timeliness, completeness, usefulness, and reliability of data-gathering, file-management, and reporting.

81. Investment is vital. It is essential to take a strategic approach to the management of human resources and to the development of the entire eco-system of the public sector. Illustrative focal areas include these:

- (a) Effective recruitment, induction, and retention
- (b) Training and development,
- (c) Ergonomics and workplace amenities,
- (d) Robust utilities, resilient communication-systems, and back-up power,
- (e) Transportation to and from work and school, and after-school/vacation programmes,
- (f) Maintenance and upgrading of infrastructure,
- (g) Interdepartmental communication as well as telecommunications generally,
- (h) More efficient and convenient online systems and upgraded in-person payment-

- systems,
- (i) The ease of doing business, and
 - (j) The quality of service within departments, between departments and to the public.

These all require a systematic review, integration, and upgrade. With measurable improvements each year, aligned both to GOM employees' needs and to the public' expectations and preferences, GOM can get a better return on such investments. More effective investments will stimulate the growth of the economy and lead to improved GDP, tax-revenues, and employment.

Recommendations

83. Survey-Results: Part 5: MPS Employees' Recommendations to Overcome the Challenges of Absenteeism:

Below are employees' responses, listed from the most frequently mentioned ones to the least frequently mentioned ones. However, this does not reflect their importance; each issue/impact deserves respectful consideration and attention to improvement.

[1] MORE/BETTER TEAMWORK

[2] MORE STAFF

[3] CROSS-TRAINING

[4] BETTER COMMUNICATION

[5] MORE TRAINING & DEVELOPMENT FOR JUNIOR EMPLOYEES

[6] CULTIVATE A BETTER WORK-ENVIRONMENT E.G. LESS STRESS; RESPECT; A PLACE WHERE PEOPLE FEEL HAPPY

[7] PAY FOR OVERTIME

[8] MORE STAFF-MEETINGS

[9] NEW AND/OR BETTER EQUIPMENT E.G., MOST OF WHAT WE GET IS OLD OR USED

[10] REVISE PAID ALLOWANCE FOR SICKNESS-LEAVE TO DETER ABUSE [INCLUDING DEDUCTING FROM PAY FOR LATENESS / ABSENCES]

[11] SUPPLEMENT FULL-TIME STAFF WITH RESERVE CORPS OF PERSONS E.G., WHEN DOCTORS / SPECIALISTS ARE OVERSEAS / HAVING VACATION / RESIGN

- [12] [A] JOB-SHADOWING (UNDERSTUDY); [B] JOB-SWAPPING (E.G., F.C.O. DEPTS. LET JUNIORS AND SENIORS DO EACH OTHER'S JOBS PERIODICALLY
- [13] BETTER SALARIES
- [14] PAY FOR WORK OUTSIDE NORMAL HOURS
- [15] TELEPHONE ALLOWANCES FOR ALL WHO WORK OUTDOORS
- [16] CHARGE CLIENTS FEES FOR SOME SERVICES E.G., FIRE-PERMITS (E.G. TO BURN RUBBISH ON A FARM)
- [17] DOCUMENT PROCESSES AND IMPLEMENT STANDARDS SO THAT EVERYONE HAS CLEAR GUIDELINES REGARDLESS OF WHO IS ABSENT
- [18] ALLOW EMPLOYEES MORE FLEXIBLE SCHEDULES E.G., ADJUST HOURS TO ALLOW FOR PERSONAL BANKING/BUSINESS/ERRANDS
- [19] ENCOURAGE EARLY ARRIVAL AT THE PLACE OF WORK

84. Implement certification and accreditation. The HRMU could provide leadership, technical expertise, and training in supporting GOM's Departments and MPS employees to seek and to qualify consistently for various regionally and internationally recognised awards, contests, and certifications e.g., Green Globe; World Skills Competition. Another opportunity for Montserrat is accreditation such as UNESCO World Heritage designations. Such marks of distinction highlight the best that the island has to offer and raise standards within the public sector. Certification and accreditation boost both national marketing and various service-providers' own marketing campaigns. It also supports human resources development and attracts talent. These are a few of many possible initiatives that also fully support the ODG's EEP vision.

85. Promote and reward desired behaviours. Provide support and incentives to encourage high percentages of punctuality, attendance, and on-track performance. Monitor progress and achievements, report them monthly, and recognise them quarterly and annually. What is measured is managed. What is recognised and reported gets attention sector-wide. What is rewarded is likely to become more common. To encourage the widest participation and recognition, establish categories of awards and incentives: (i) for Ministries, (ii) for Departments, (iii) for Units, and (iv) for individual excellence. One excellent example of this approach (emphasising positive reinforcement rather than punitive measures) is the programme institutionalised within the Fire Dept. and, more recently, within the Police Service: employees with 0 sickness days for the year are awarded 5 bonus vacation days; those with 1 sickness day for the year are awarded 4 bonus vacation days; those with 2 sickness-days for the year are awarded 3 bonus vacation days; those with 3 sickness-days for the year are awarded 2 bonus vacation-days;

and those with 4 sickness days for the year are awarded 1 bonus vacation days. For junior level employees, this one measure offers up to 25% boost to their vacation leave each year without any incremental cash-cost to GOM's annual budgeted expenditures.

86. Implement modern marketing, public relations, and CRM. It is imperative to strengthen and to equip each of the GOM's public-facing units and Departments with adequate resources for Client Relationship Management (CRM), including [a] appropriate numbers and allocations of employees, [b] quality assurance and compliance-systems, [c] business facilitation unit/strategy, [d] stakeholders and public relations unit/strategy, [e] investor/client assistance unit/strategy, and [f] a comprehensive planned programme of in-house training and refresher-courses for officers and for service-providers at all levels to ensure the appropriate level of skills and the most effective staffing. Greater accountability is required in training, coaching, and assessing staff in relation to client-focused objective metrics: e.g.,

- (1) The number and types of inquiries, accounts, products/services delivered, and complaints processed;
- (2) The incremental costs saved and/or revenues earned arising from effective client-relationship management, assessments, reviews, and audits;
- (3) The timeliness of error-corrections,
- (4) The timeliness, completeness and accuracy of (i) billing, (ii) statements, (iii) reports, (iv) payments to suppliers, and (v) disbursements of grants/refunds/other (e.g., IRD, MCRS, MOF); and
- (5) The timeliness in responding satisfactorily to clients' inquiries and requests, and the status, nature and effectiveness of their responses/outcomes.

In short, to achieve high levels both of client-satisfaction and of employee-satisfaction, the MPS must move from a passive and reactive mind-set (e.g., waiting for clients to call/complain) towards a proactive and strategic marketing and client-relationship framework (e.g., reaching out to clients periodically). This includes an effective communication-strategy and programmes of recognition/rewards for each category of customer as well as for excellent service-providers and high-performance employees.

87. Budget adequately for maintenance and training. All vehicles, equipment and premises need regular maintenance for high performance. Likewise, every employee needs a strategic skills-enhancement programme (e.g., set an annual minimum for the number of hours of training per employee) and a career-building plan (developed collaboratively with tangible milestones and outcomes, and revised at least annually). GOM, MOF, and HRMU, along with partners such as CARICOM, DFID and CDB, can assist in co-ordinating these activities across the public sector, including targeted grants and low-cost loan-programmes.

88. Implement Caribbean Vocational Qualifications. Towards institutionalising career-development and professionalism in the MPS, the HRMU's Training Division can co-ordinate C.V.Q. and other relevant programmes. This is important for the up-skilling, career-development, promotion, and retention of persons who are already working in the public sector. It is also important towards attracting young professionals locally and regionally to enter the sector and to remain on the island and in the public sector for the long term.

89. Survey-Results: Part 13: General Recommendations of MPS Employees: What do you recommend to enhance public-sector employees' satisfaction, motivation, attendance, and overall engagement in the workplace?

Below are employees' responses, listed from the most frequently mentioned ones to the least frequently mentioned ones. However, this does not reflect their importance; each issue deserves respectful consideration and attention to (further) improvement as inadequate or missing elements of satisfaction, health and/or safety in the workplace contribute to poor performance as well as absenteeism.

[1] BETTER COMPENSATION INCLUDING PAY FOR OVERTIME / HAZARD ALLOWANCES

[2] MORE TRAINING

[3] RECOGNITION PRAISE &/OR AWARDS FOR EMPLOYEES E.G., MTH/QTR/YEAR

[4] ORGANISE (MORE) TEAM-BUILDING / BONDING / SOCIAL EVENTS FOR STAFF

[5] MENTORING & SUCCESSION-PLANNING: TO ENSURE CONTINUITY; TO OPEN MORE OPPORTUNITIES FOR YOUNG PEOPLE

[6] BETTER COMMUNICATION E.G., WITHIN STAFF & BETWEEN DEPARTMENTS

[7] PROPER INDUCTION & ORIENTATION [BOTH NEW RECRUITS AND PERSONS IN NEW POSTS]

[8] STRONG HEALTH-FOCUS: E.G., EXERCISE-PROGRAMMES; STRESS-RELIEF; THERAPY; MASSAGE; COUNSELLING

[9] SUPPORTIVE MANAGERS E.G., MENTORING; HELPING EMPLOYEES WITH PERSONAL PROBLEMS THAT AFFECT WORK

[10] ACCOUNTABILITY OF SENIOR OFFICERS; DEVELOPMENT OF LEADERSHIP SKILLS AND SUPERVISORY SKILLS; TRAINING IN SOFTER SKILLS E.G., DEALING WITH STAFF

- [11] PARENTAL/FAMILY SUPPORT: E.G., [A] AFTER-SCHOOL CARE [E.G. 3 P.M. TO 5 P.M.]; [B] HAVE A TEACHER ON DUTY EARLY [E.G., 7:30 A.M.]; [C] PROGRAMMES DURING SCHOOL-VACATIONS (ESP. SUMMER MONTHS)
- [12] INCLUDE THE STAFF IN DECISION-MAKING WELCOME INPUTS/IDEAS;
- [13] PROVIDE ALL EMPLOYEES WITH ADEQUATE / BETTER TOOLS, GEAR, VEHICLES AND/OR EQUIPMENT TO DO THE JOB TO HIGH STANDARDS (E.G. TO BE A COMPETITIVE DESTINATION RE TOURISM / BUSINESS / INVESTMENTS)
- [14] PROVIDE INCENTIVES: E.G., CHRISTMAS BONUS
- [15] STAFF-MEETINGS
- [16] PUBLIC OUTREACH E.G. TO IMPROVE DEPT.'S IMAGE; RADIO GET PUBLIC'S INPUTS
- [17] BETTER ATTITUDES
- [18] TELECOMMUTING AND/OR FLEXIBLE SCHEDULES TO BOOST PRODUCTIVITY & AVOID TIME LOST IN TRANSIT
- [19] BE MORE EFFICIENT (E.G., FASTER PROCESSING TIMES AND DECISIONS
- [20] IMPLEMENT STRINGENT ACTIONS / MECHANISMS TO DETER / REMEDY WORKPLACE VICTIMISATION AND DISCRIMINATION
- [21] INSTITUTE OPEN DAYS FOR ALL DEPARTMENTS & MINISTRIES
- [22] MORE VACATION-DAYS PER YEAR FOR JUNIOR OFFICERS ESP. IN POLICE/FIRE/MOH WHERE MANY/MOST EMPLOYEES ARE EXPATRIATES & NEED MORE TIME FOR HOME-VISITS
- [23] REWARD GOOD ATTENDANCE E.G., FIRE DEPT. (PAST 7 YEARS) AND THEN POLICE DEPT. GIVE BONUS VACATION-DAYS
- [24] PROVIDE MORE SECURITY FOR EMPLOYEES WHO ARE GIVEN CONTRACTS E.G., PERSONS WHO HAVE SERVED SEVERAL YEARS BUT STILL ON CONTRACTS VS. PERMANENT
- [25] ADD A WARD FOR CHILDREN AT THE HOSPITAL TO AVOID HAVING MOTHERS HAVING TO STAY WITH THEM AND MISSING WORK
- [26] IMPOSE PENALTIES FOR LATENESS AND ABSENCES: IN U.S.A./U.K., PEOPLE ARE NOT PAID FOR THE HOURS/DAY THAT THEY MISS WORK

- [27] GIVE EMPLOYEES OPPORTUNITIES TO DO NEW TASKS/ACTIVITIES TO IDENTIFY POTENTIAL
- [28] ADEQUATE REST-PERIODS/DAYS BETWEEN SHIFTS FOR PERSONS E.G., POLICE SERVICE, FIRE DEPARTMENT, & MINISTRY OF HEALTH
- [29] DO EMPLOYEE-SURVEYS AT LEAST ANNUALLY
- [30] WE NEED AN INDEPENDENT BODY TO INVESTIGATE COMPLAINTS E.G., WE CANNOT HAVE POLICE INVESTIGATING POLICE
- [31] FOR FIRE-SERVICE (AND SIMILAR DEPTS.), RECOMMEND EARLIER RETIREMENT-AGE E.G., AFTER 30 YEARS OF SERVICE VS. TYPICAL DESK-JOB IN PUBLIC SERVICE
- [32] PROVIDE REST-ROOMS &/OR SICK-BAYS IN SOME WORKPLACES E.G., NURSES ARE ENTITLED TO 2 HOURS OF REST-TIME DURING NIGHT-SHIFTS BUT THERE IS NO DESIGNATED REST-AREA FOR THEM
- [33] RE THE NURSING HOME: PROVIDE A DEDICATED ROOM OR SPACE FOR THE STAFF E.G., TO HAVE MEALS OTHER THAN WHERE THE RESIDENTS / PATIENTS HAVE THEIR MEALS
- [34] MAKE PUBLIC SPACES MORE ACCESSIBLE E.G., TO THE ELDERLY; TO DISABLED PERSONS; TO OLDER/LESS ABLE EMPLOYEES/CUSTOMERS
- [35] INSTALL ELECTRONIC TIME-KEEPERS TO TRACK ATTENDANCE ACCURATELY AND MORE EFFICIENTLY THAN LOG-BOOKS
- [36] REFORM THE IMMIGRATION LAWS TO ATTRACT / TREAT TALENT AND INVESTORS BETTER
- [37] CREATE, IMPLEMENT AND CLARIFY POLICIES AND PRACTICES RE HEALTH & SAFETY E.G., WHEN SOCIAL WORKERS TRANSPORT CLIENTS E.G., TO DO SHOPPING OR GO TO THE LAW-COURTS
- [38] SHORT-TERM ATTACHMENTS TO OTHER ORGANISATIONS / DEPARTMENTS E.G., DURING SOMEONE'S VACATION-LEAVE, MATERNITY-LEAVE, ETC.

CHAPTER 5: MANAGEMENT RESPONSE

In 2012, the Human Resources Management Unit engaged the consultancy services of Smart Solutions International to activate the Human Resources module of SmartStream. Officers' data, including Job History, Training History and Absences were scrubbed and loaded into SmartStream HR. HRMU Staff received initial training on entering future data and generating simple reports.

Although the activation of SmartStream HR was generally successful, daily usage proved problematic. For example, loading monthly service-wide absenteeism data generated errors. Running reports also generated errors. Coupled with the fact that SmartStream HR lacked user-friendliness, the system was not adequate to cover the purview of the HR function.

In December 2017, after successfully making a business case, HRMU began recruiting a Director, HRIS. The position is now filled by a Technical Cooperation Officer who has the mandate of developing and implementing a full-fledged HRIS that is customized and designed to the specific needs of Government of Montserrat. The mandate also includes building the capacity of the staff of the HRMU to efficiently transmit and produce data on a timely basis. Unlike in 2012, where continuous technical support was absent, the engagement of the Director, HRIS for 3 years will allow for change management, training and development and system improvements over a longer period of time; thereby ensuring successful system adaption.

Government of Montserrat's new HR Information System will be streamlined and integrated and offer a plethora of automated and self-service functionalities. For example, Officers will be able to clock in and clock out electronically. This will allow line managers to generate real time reports on an Officer's attendance and punctuality. Emphasis will be placed on user friendliness during the design and development phases of GoM's new HRIS. Data integrity, security and scalability will be key features of the HRIS. System development is currently at the wire-framing phase and each HR module will be rolled out as they are completed.

CHAPTER 6: OVERALL CONCLUSION

Limited data & reporting. Many errors and omissions were identified in routine reports and procedures. All administrative staffers need periodic refresher-sessions to polish their skills and to share new lessons learnt and best practices. Better formats will support better and faster reporting and improved decision-making and communication within and between Departments, and with other stakeholders. Some Departments had missing reports for several months/years; despite 6 years of HR Circular #2 of 2012, some had no absence-reports.

Health & safety policies are inadequate. Many employees do not know their Departments' policies or even if any exist. Policies and emergency-plans must be reviewed regularly, communicated to all stakeholders, and rehearsed at least annually. Wellness-programmes are of paramount importance. To reverse the alarming escalation in absence-days and healthcare-costs, every Department must focus on employee-education, on prevention of illness, and on providing an ecosystem that (1) nurtures a culture of wellness, including better menus/dietary habits, (2) adopts safer office/cleaning products, (3) improves indoor air-quality, and (4) promotes, recognises, and rewards wiser workplace-habits and healthier lifestyle-choices. This is an investment in human capital with very high returns.

Inadequate infrastructure & maintenance. Many Departments have reported various unsatisfactory conditions. Repairs and maintenance are frequently delayed.

Under-used technologies. Too many instances remain where available low-cost approaches are not employed, and/or existing technologies, modalities, and payment-methods are readily feasible, but they are not being utilised fully or at all. Examples include (1) online reservations, (2) online payments, (3) in-person credit-card/debit-card payments at GOM Departments and local businesses, and (4) online purchases of tours, of tickets, and most local products and services. Besides improving public services, these will help to reduce the time that GOM's employees often take from work-hours to do banking, bill-payments, and other business.

Great opportunities. Green business is vital for the growth of Montserrat's economy generally. By extension, a paradigm of personal wellness and workplace-ergonomics will contribute to the national vision of "A Healthy and Wholesome Montserrat". High levels of employees' attendance, satisfaction, and performance will (1) greatly improve public services, (2) increase efficiency, (3) reduce long term healthcare and other risks and costs, and (4) rebound to the benefit of all residents and visitors. Thereby, GOM's national SDP goals of economic prosperity and population-growth will be easier to achieve and to sustain.

APPENDIX 1: OFFICE OF THE AUDITOR GENERAL

Functions

By force of *The Montserrat Constitution Order 2010*, the O.A.G. is established and upheld in its independence and in its functions within the public sector of Montserrat. The relevant section states as follows below:

“Functions of Auditor-General

103.—(1) The Auditor-General shall audit and report on the public accounts of Montserrat and of all public offices, including the courts, the central and local government administrations, universities and higher education institutions, and any public corporations or other bodies or organisations established by an Act of the Legislature, and may conduct financial and value for money audits in respect of any project involving public funds.

(2) The Auditor-General shall submit to the Legislative Assembly annually a report of the accounts audited by him or her under subsection (1) for the immediately preceding financial year.

(3) For the purposes of subsection (1) the Auditor-General and any person authorised by him or her shall have a right of access at all reasonable times to all such documents as appear to him or her to be necessary for the purposes of the audit, and shall be entitled to require from any person holding or accountable for any such documents such information and explanation as he or she thinks necessary for those purposes.

(4) In the exercise of his or her functions, the Auditor-General shall not be subject to the direction or control of any other person or authority.” [bold and underlined emphases added throughout]

The independence of both (a) the functioning of the Auditor-General and (b) the budgetary allocations from the Government’s national Consolidated Fund to finance the Office of the Auditor General are clearly stated and emphatically declared as follows below:

“National Audit Office

104.—(1) The Legislature shall by law make provision for the establishment of an independent National Audit Office headed by the Auditor-General.

(2) The budget for the National Audit Office shall be charged on and paid out of the Consolidated Fund, and must at all times be adequate to enable the full performance of the functions conferred on the Auditor-General by this Constitution or any other law.

(3) The accounts of the National Audit Office shall be audited and reported on by an auditor appointed by the Legislative Assembly.” [bold and underlined emphases added throughout]

In line with international standards for public-sector auditors and global best practices for Supreme Audit Authorities, the O.A.G. of Montserrat espouses the following values and priorities:

Our Values

Respect. We seek to build productive professional associations and cordial personal working relationships with colleagues internally as well as with other public servants externally.

Honesty. We tell the truth even when it is unpleasant or embarrassing. Accurate self-assessment is vital for every person and for every unit of Government to acknowledge its strengths and its weaknesses, and to begin to address performance-gaps and shortfalls from relevant policies, from applicable standards, and from currently binding laws and regulations.

Transparency. Our work is in the service of the Government and the people of Montserrat. Therefore, all of our final reports on engagements undertaken are made available to all stakeholders, to the public and to any other interested parties via publication on our website.

Confidentiality. In the course of our duties, we protect the identity of all persons who reveal secret information or private details. Our reports disclose general conclusions and focus on practicable solutions rather than highlighting any person or department directly.

Accountability. By definition, the work of the O.A.G. is to hold accountable all public-sector Ministries, Departments, agencies, public-private partnerships, and State-owned enterprises. In turn, we are accountable (a) to colleagues through quality-control procedures and through peer-review, (b) to local, regional and multinational professional accounting and auditing bodies, and (c) to global standards-setting bodies. Finally, the OAG itself is subject to annual audits by an independent external audit-firm of the highest repute.

Objectivity. Auditors must remain impartial, devoid of partisan bias, without membership of political parties, and otherwise focused on the truth and the facts, rather than personal opinions, emotions, or self-interest. All of our analyses, conclusions and recommendations are based on facts and verifiable and auditable evidence, supported by retained audit-papers and work-in-progress files throughout each and every audit-engagement. Information is gathered solely for the purposes of the official audit and never to be used for personal advantage of either the auditors themselves or of any other person, party, entity, or enterprise.

Independence. Vitally important to the respectability of the OAG is the independence of the Auditor-General and of his/her staff both in appearance and in fact, both in public discourse and in social intercourse. Auditors must avoid any potentially compromising personal relationships or business activities with any public-sector auditee. Where he/she has (i) any material private indirect interest and/or (ii) any direct financial or other interest in an auditee and/or (iii) in or with any of its employees, suppliers, investors, creditors, or other related parties, an auditor must either refrain from any part of an audit of such entity and/or disclose the nature and the extent of such actually or potentially compromising interest whatsoever it be.

APPENDIX 2: KEY REFERENCES

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APPENDIX 3: TERMINOLOGY

Efficiency. This is measured as the ratio of inputs per given or desired unit of output. The performance goal is the minimisation of inputs and/or input-costs per unit of output.

Productivity. This is measured as the ratio of actual units of output per given unit of each input. The performance goal is the maximisation of output per unit of each input and/or of each input-cost, subject to the desired quality of that output.

Effectiveness. This is measured as the ratio of actual units/costs of all outputs to the desired units/costs of output. The short-term performance goal is the minimisation of the gap between desired output(s) and actual output(s), subject to the desired quality of that output.

Value for money. This is the desired surplus quantum and/or value of benefits derived from actual output(s), deliverable(s), or outcome(s). It is measured as the consumer's utility or economic surplus: i. e., (1) the actual (and/or user-perceived) value of all benefits of each unit of output, minus (2) the actual costs per unit of each input required to produce that unit of output. The performance-goal is the maximisation of the total value of incremental benefits (minus marginal costs) derived from all units of output (e. g., public services or public goods), subject to the desired quality of that output, and to any applicable standards, regulations, contractual obligations, client-service objectives, or legal requirements.

Performance. This concept defines observable behaviours in respect of a specified function or activity. In practical terms, performance is measured as the comparison of *ex post* actual outcomes with *a priori* desired or pre-agreed outcomes. This lends itself very well to objective definition, measurement, monitoring, reporting, feedback, and recommendations for improvement, wherever gaps are identified between (a) desired behaviours and outcomes and (b) actual behaviours and outcomes.

Performance-audits. These are objective, external, and independent reviews of activities, processes, organisations, financial statements, and/or other objects of interest, having explicit regard to such parameters as (i) applicable laws, (ii) external regulations, (iii) internal policies, (iv) internal rules, (v) international treaties, (vi) bilateral or multilateral agreements, (vii) industrial benchmarks, (viii) contracts, (ix) codes of conduct, (xi) ethics, (xii) morals, and/or (xiii) professional standards. Performance-audits go beyond (1) *financial audits* and (2) *internal audits*, for instance, to examine the actual, observable, and measurable behaviours, outputs, efficiency, effectiveness, and value for money of an entity, a programme, an agency, a statutory corporation, or an entire public sector, as the case might be. In this regard, performance-auditing is inherently more far-reaching, more strategic, and more consultative than other types of audit. When it is well executed by the auditor(s), and when, thereafter, its findings are wisely attended, and its recommendations expeditiously implemented, a performance-audit in the public sector has the potential to offer the greatest value for money to the Government and, ultimately, to the people of Montserrat. In short, it pays for itself many times over.

APPENDIX 4: AUDIT FIELDWORK

Questionnaire for Interviewees

Senior GOM Interviewees

- (1) The Deputy Financial Secretary, Ministry of Finance
- (2) The Permanent Secretary, Ministry of Agriculture et al.
- (3) The Permanent Secretary, Ministry of Works et al.
- (4) The acting Permanent Secretary, Ministry of Health & Social Services
- (5) Deputy Commissioner, Police Service & Fire Department
- (6) Commissioner of Inland Revenue
- (7) Comptroller of Customs
- (8) Administrative Manager, Montserrat Customs and Revenue Service
- (9) Executive Officer, Ministry of Education Headquarters
- (10) Chief Human Resources Officer, HRMU, Office of the Deputy Governor

Survey of Public-Sector Employees

During November 2017, to January 2018, we conducted a broad survey of public service employees across many units and departments. From the most recently available absence monitoring reports that we had obtained for each Department, we designed a random sample of 95 employees for in-depth interviews from each participating Ministry and Department. This represented a planned sampling rate of 12.5% of co-operating Departments: 95 selected from reports representing headcount of 796 employees of an estimated MPS total of 983. This higher planned sampling rate was to compensate (a) for the randomly selected employees/Departments that did not participate/co-operate and (b) for the Departments that did not provide timely data at all or too late for them to be included in the random sampling. Our objective was to achieve 50 to 100 interviews (i.e., 5% to 10% of all public-sector employees).

Ultimately, 72 actual interviews were completed and documented to enlighten the findings summarised in this audit-report and to support the many recommendations made in Chapters 3, 4 and 5. This represented an effective actual sampling rate of over 7% of the MPS total headcount. The sample-characteristics proved to be highly representative of what is known about the population: e.g., by gender, by age-groups, by length of tenure, by types of employment-status (permanent vs. contracts), and by nationality/country of origin (e.g., the 2011 census found that 28% of residents were non-Montserratians).