PERFORMANCE AUDIT

OF

THE OFFICE OF THE DEPUTY GOVERNOR

& RELATED DEPARTMENTS

Office of the Auditor General
September 2020

THE OFFICE OF THE DEPUTY GOVERNOR & RELATED DEPARTMENTS

This is a Report of a Performance Audit conducted by the Office of the Auditor General pursuant to Section 103 of the Montserrat Constitution Order 2010.

Florence Lee
Auditor-General
Office of the Auditor General
September 2020

PREAMBLE

Vision Statement

To be a proactive Supreme Audit Institution that helps the nation to make good use of its resources.

Mission Statement

The OAG 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 Assembly.

The Goal

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

This audit was completed before the COVID-19 pandemic reached Montserrat mid-March, 2020; as the findings and recommendations remain relevant (and, in some respects, are more urgent now), we proceeded with publication of this report. The study examined the risks to value for money and the use of resources in the Office of the Deputy Governor (ODG) and the Departments within its remit (the HRMU, the DMCA, the Montserrat Prison Department, & the Royal Montserrat Defence Force). Overall, the evidence that we gathered shows that there is an adequate framework of oversight and accountability for their activities. Generally, governance, including strategic planning, budgeting, reporting, and recruitment, has improved during the past several years. All Departments have a performance management system that is coordinated centrally through the Ministry of Finance & Economic Management (MOFEM) with quarterly reporting. The ODG has shown improvement in linking its objectives to the Cabinet's Policy Agenda, and its performance against targets has gradually improved.

However, we found some areas requiring significant improvement: e.g., some major gaps in Departments' records; some metrics were unclear, misclassified or inappropriate; incomplete measuring of performance against budgets and strategic plans; and inadequate reporting and/or feedback on the use of resources (including people, funds, and other assets) and their performance.

Despite the GOM's growing and diverse needs for capacity building, the attraction of talent takes much longer than desired. More importantly, the long-term retention of adequate skills remains challenging; hence, a significant number of vacancies and/or skill-gaps persist. These observations apply both to standard local posts as well as to those funded by the DFID under the Technical Co-operation (TC) programme, resulting in a trend of underspending against budgets for recruitment and for personal emoluments within the ODG's Departments and across the public service. Maintenance and upgrades to public buildings and workplaces are also urgently required, having lagged for several years.

We have provided a number of recommendations that we feel would benefit the Government and the citizens of Montserrat once they are implemented. I wish to thank the staff of the ODG and its related Departments, other participating Ministries and Departments, and all other persons who provided information, clarifications or extended any courtesy to my staff during this assignment.

Florence A Lee CPA, BSc, MSc
Auditor-General
25 September, 2020

ABBREVIATIONS

CARICAD	Caribbean Centre for Development Administration
CARICOM	Caribbean Community
DFID	Department for International Development, UK Government
DG	Deputy Governor, Montserrat
DMCA	Disaster Management Co-ordination Agency, Montserrat
EEP	Empowering Excellence Programme
GDP	Gross Domestic Product
GOM	Government of Montserrat
GRID	Governance Reform and Institutional Development
HRMU	Human Resources Management Unit, Montserrat
INTOSAI	International Organisation of Supreme Audit Institutions
ISSAI	International Standards for Supreme Audit Institutions
MEU	Monitoring and Evaluation Unit, Office of the Premier, Montserrat
MOFEM	Ministry of Finance & Economic Management, Montserrat
MOHSS	Ministry of Health & Social Services, Montserrat
MPD	Montserrat Prison Department
MPS	Montserrat Public Service
OAG	Office of the Auditor General, Montserrat
ODG	Office of the Deputy Governor, Montserrat
OOP	Office of the Premier, Montserrat
RMDF	Royal Montserrat Defence Force
SDP	Sustainable Development Plan: 2008 to 2020, Government of Montserrat
TC	Technical Co-operation (refers to GOM posts directly funded by the DFID)

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EXECUTIVE SUMMARY

Overview

1. The Office of the Deputy Governor (ODG) incorporates 5 departments: the ODG headquarters, the Human Resources Management Unit (HRMU), the Disaster Management Coordination Agency (DMCA), the Montserrat Prison Department (MPD), and the Royal Montserrat Defence Force (RMDF). The ODG assists the Deputy Governor (DG) in her primary role as Head of the Montserrat Public Service (MPS), overseeing all of the Government of Montserrat's (GOM's) employees. The ODG works closely with the Cabinet, the Legislative Assembly, Ministries, and Departments to improve H.R. policies and processes in the public service. To help to improve the way that the GOM works, the ODG is championing systems to enhance the management of the GOM's employees and their performance. As they have, by far, the biggest shares of spending among the ODG's Departments, the ODG headquarters and the HRMU were the main foci of this study.

Scope of Performance Audit

2. The scope of this performance audit was a landscape review to examine the ODG's planning, budgeting, use of resources, and performance during the 3 fiscal years 2016/2017 to 2018/2019. Where we received information subsequent to our fieldwork, more recent updates are provided in some parts of the report. We interviewed officers from all Ministries and employees from several of the GOM's Departments in order to obtain their perspectives and experiences in working with the ODG's Departments as recipients of the ODG's services. Note: In this report, in line with the GOM's overall budget, data are included for those parts of the budget and the spending of the Governor's Office that are provided through, and managed by, the ODG; however, we did not audit the Governor's Office in this study.

Objectives of the Audit

3. **Objectives**. This study was requested by the UK Government's Department for International Development (DFID) to provide assurance about the efficiency and the effectiveness of the GOM's spending. This audit sought to examine risks to value for money within the ODG, including the level of governance, the quality of the processes of planning and budgeting, the use of people and assets, and overall performance. The overall objective of the audit was to assess whether the ODG is performing in a way that is likely to maximise value for money. To answer this overarching question, we considered 4 issues:

[a] Are the objectives of the ODG clear?

[b] Does the ODG have the governance and organisational structures in place to deliver its objectives?

[c] Has the ODG applied good practices in the use of its resources to meet its objectives?

[d] How is the ODG performing against its objectives/metrics?

Main Findings

4. The ODG's performance has improved slowly, but there is significant scope to improve further both performance and reporting. Overall, the ODG has clear objectives that are linked to the Policy Agenda and to the Sustainable Development Plan 2008 to 2020 (SDP). For the financial years 2017/2018 and 2018/2019, the ODG met 14% and 29% of its performance targets respectively. In other areas, performance was not clearly defined and/or was not reported. No quarterly performance-reports were made available to us for the fiscal year 2016/2017; hence, we could not make a detailed assessment for that financial year.

5. The ODG has recognised that it has capacity-gaps, but has struggled to fill them. The ODG reviews staffing requirements as part of the annual budgeting process. However, it is not clear how the ODG determines the number and the type of posts needed. Over the years that we reviewed, the ODG has consistently operated below its establishment capacity: i.e., 65 filled posts versus the 75 available posts in fiscal year 2016/2017; 62 posts filled of 69 available posts in fiscal year 2017/2018; and 59 posts filled of 70 available posts in fiscal year 2018/2019. This was one of the factors that could have contributed to low performance against targets. It also reflects the long-term trend of high and rising rates of vacant posts (from 10% in fiscal year 2016/2017 to 13% in fiscal year 2018/2019) across the public service, with implications for efficiency, for effectiveness, and for value for money.

6. The ODG uses the Technical Co-operation (TC) Programme to fill critical and hard-to-fill posts, but needs to improve the process for appointment and management of TC-employee posts. The TC programme is used to acquire the skills needed to address local skills-gaps and to recruit internationally for posts that are difficult to fill. The ODG manages the TC programme on the behalf of the entire GOM. The process for the TC programme is specified by DFID in the TC booklet, but this was not always followed. For example, business cases should be prepared to justify each TC post. However, we found that [a] only 2 of 12 TC employee posts that we sampled had a business case, and [b] the business cases that we tested did not meet all of the criteria specified for business cases. We also found that there was a lack of clear skills transfer, which is a requirement of the TC programme, as this was not

stipulated in contracts, in business cases, and/or in advertisements of vacant posts. Some posts also had no local understudies assigned to them; however, the ODG advised that such posts lead to important development of capabilities in other ways, including new policies, new processes, new knowledge, and the sharing of experience and of perspectives across cultures.

7. **The ODG has identified that improved workplaces are urgently needed to support the GOM's employees in delivering better service to the public, but, without funding support, little progress has been made.** In recent years, independent consultancies procured by the ODG, at the request of the DFID, have concluded that at least 80% of public buildings require significant upgrades to meet standards and users' needs. There is also a clear understanding of the offices and other assets needed across the GOM. Significant investment (estimated at EC$8 million per year over 3 years) is needed to eradicate the backlog of building maintenance and upgrades required. Additionally, the assessed needs for new work on facilities were estimated at EC$53 million over 10 years. Funding has been repeatedly requested from the DFID for this purpose, but has not been approved. Since early March, 2020, the COVID-19 pandemic has made the need for these repairs and upgrades much more urgent, both for employees' safety and for the new mandates of public health in serving the public.

8. **The ODG has good oversight of available budget and annual spending.** However, there remain a few large amounts overspent and underspent across different activities, and the ODG must manage these variances better. The ODG reviews its budgetary needs yearly. Financial performance for the ODG has varied over the last 3 years: it spent (a) $30.4 million (94%) of the $32.4 million budget in fiscal year 2016/2017, (b) $27.3 million (92%) of the $29.7 million budget in fiscal year 2017/2018, and (c) $28.8 million (98%) of the approved $29.3 million in fiscal year 2018/2019. Whilst the 2% net underspending in fiscal year 2018/2019 was a significant improvement over the rate of underspending in prior years, there remained areas of large underspending within some Departments. For example, significant numbers of unfilled posts within the ODG and its related Departments, and a very high vacancy-rate in the TC-employee posts, explained much of the under-spending each year.

Key Recommendations

9. **Reduce the number of vacancies.** Given the impact that rising vacancies (both their number and their duration) are likely to have on the delivery of public services, the ODG and the HRMU should continue to identify and to resolve the main reasons for vacancies, including factors such as prolonged recruitment-cycles, the terms and conditions of offers/contracts, and the turnover of employees. Also reassess personnel needs and close posts that are no longer needed.

10. Prioritise the funding of the GOM's required building maintenance and upgrades. To achieve the SDP Goals #1 & #4, maintenance and upgrades to public offices and other buildings are essential. This supports both [1] the health and safety of public servants, and [2] the infrastructure for high standards of service to the public. This requires [a] ranking the items in backlog by urgency and by importance, and [b] then progressing in phases over the next 3 to 5 years with the DFID's full appropriate funding support. Where underspending occurs in other areas within any fiscal year, some budgeted funds can also be temporarily redirected to support this important effort, which the newly enacted public-health measures against the global COVID-19 pandemic have made all the more urgent to implement.

11. Strengthen Departments' strategic planning, measurement, and reporting of performance. The ODG should ensure that all aspects of its Departments' strategic plans and budgets clearly relate to the Policy Agenda. E.g., [a] each objective should have clear, appropriate, and measurable KPIs, [b] each reported KPI should support achievement of at least one identified part of the Policy Agenda, and [c] each KPI should be included in the quarterly reports.

12. Strengthen the oversight of the TC programme. The ODG should ensure that the approved processes are consistently followed, including [a] business cases for new posts, [b] obtaining and documenting the Cabinet's approval, and [c] ensuring the related documents capture the requirement for the transfer of knowledge and of skills from TC employees to their understudies and co-workers. This will achieve greater building of local capacity so that the benefits of the Programme to the ODG, and, by extension, across the GOM, will be sustained for the long term.

13. Strengthen Departments' record-keeping and reporting for decision-making. [1] The ODG should ensure that records are consistently kept for management meetings and for other important activities to document decisions, actions, and progress. [2] The ODG should improve the management of its records for all of its Departments, addressing such issues as [a] reliance on manual processes and paper, [b] the loss of historical data, documents, and reports (e.g., Quarterly Reports are missing for fiscal year 2016/17), [c] maintaining data for business-continuity, audits, and compliance, and [d] safeguarding of documents to facilitate effective succession-planning, including ensuring that persons appointed to posts, or acting temporarily, can easily locate necessary information from predecessors, while leaving a clear trail for those coming after them to follow.

Audit Conclusion

14. Overall, the ODG has clear objectives linked to the Policy Agenda and the SDP. However, its current structure is cumbersome, as it combines several Departments with very different mandates, numbers of employees, size of budgets, and functions, and as it places oversight both of policies and of related operations under the same structure. Performance against the strategic plans has improved gradually, but most of the Key Performance Indicators were not achieved during recent fiscal years (2016/2017 to 2018/2019). A trend of significant underspending vis-à-vis budgets has persisted, especially in the HRMU, reflecting very high vacancy-rates (over 45%) in the TC Programme, parallel to the high and rising rates of vacancies [a] across the ODG's Departments (more than doubling from 7% as at March 31st, 2016, to 16% as at March 31st, 2019) and [b] across the public service (rising from 97 unfilled posts as at March 31st, 2016, to 129 unfilled posts as at March 31st, 2019). By contrast, pension related liabilities have grown rapidly, as only some of the required pension budget has been approved each year, with longstanding arrears accumulating to other Caribbean Governments for pensions paid on the GOM's behalf to Montserratians overseas.

15. Two of the major responsibilities of the Deputy Governor are (a) the oversight of the public service, and (b) the management of the GOM's facilities. However, maintenance and upgrades of public buildings and of other capital assets have often been delayed over the past several years, and they now require high priority. Over the years, the ODG has also commissioned several external consultancies indicating that most posts and compensation-packages in the public service are overdue for review and upgrading. It is important that the key agreed recommendations be implemented as soon as practicable (in phases, if necessary) to address some of the issues leading to significant numbers of vacancies and turnover of staff, both within the ODG's Departments, and across the public service that it administers centrally. Finally, we note that, over the years, the ODG has procured a number of consultancies, at the DFID's request, but with no supporting funding following for implementation. Therefore, it is important that future studies be approved for procurement only where the necessary commitment to provide adequate funding for the timely implementation of at least some of the key recommendations is also confirmed in advance.

CHAPTER 1: INTRODUCTION TO THE ODG

Background

16. The Office of the Deputy Governor (ODG) was established on October 1st, 2007, with the objective of linking the public service more closely to the Government of Montserrat (GOM). The ODG evolved over several years towards its current structure encompassing [a] the ODG headquarters, [b] the HRMU, [c] the Prison Department, [d] the DMCA, and [e] the Defence Force. As they have, by far, the biggest shares of spending among these Departments, the ODG headquarters and the HRMU were the main foci of this study. The ODG headquarters assists the Deputy Governor (DG) in her primary role as the Head of the Montserrat Public Service (MPS), overseeing all of the GOM's employees. Hence, the ODG works closely with the Cabinet, with the Legislative Assembly, with Ministries, and with Departments to improve H.R. policies and processes in the public service; the ultimate aim is to improve the implementing of policies. To improve the way that the GOM works, the ODG is championing systems to improve the management of the GOM's employees and their performance. This context is especially important since, in the post-1995 era, the central GOM and the wider public sector represent, directly and indirectly, up to 75% of GDP and roughly 65% of full-time employment in the national economy.

Overview of the ODG

17. The ODG is a collection of 5 very different departments (in size as well as in functions). Together, they represent about 20% of the GOM's annual recurrent spending and approximately 72 (or 7%) of its 1,022 posts (as of December, 2019). The big difference between the ODG's percentage of GOM's spending and the ODG's share of GOM's headcount is because a large portion of the ODG's budget is central funding for programmes on behalf of other Departments across the public service: e.g., [1] the Technical Co-operation (TC) programme (which is sponsored by the DFID); [2] Training & Development programmes; and [3] pensions and gratuities.

18. The DG and the ODG Headquarters handle/oversee:

(a) Consular services,

(b) Facilities management,

(c) Pensions and gratuities,

(d) Administration of some aspects of the Governor's Office (managed and supported in partnership with the Foreign & Commonwealth Office of the U.K. Government), including the official residence and domestic staff of the Governor, [Note: in this study, we did not audit the Governor's Office] and

(e) Oversight of the public service (all Permanent Secretaries and Heads of Department ultimately report to the Deputy Governor administratively).

19. The other 4 Departments within the ODG's structure are: (1) the HRMU; (2) the Montserrat Prison Department (MPD); (3) the DMCA; and (4) the Royal Montserrat Defence Force (RMDF). The Governor is Montserrat's Commander in Chief in charge of disaster-management and security as national responsibilities, but the DMCA and the RMDF report to the ODG for administrative and budgetary purposes. Each Department has a Head, but the Chief Human Resources Officer (CHRO) is the Accounting Officer for the ODG's headquarters and for the other 4 Departments.

Objectives of the Audit

20. **Objectives**. This study was requested by the DFID to provide assurance about the efficiency and the effectiveness of the GOM's spending. This audit sought to examine risks to value for money within the ODG, including (i) the level of governance, (ii) the quality of the processes of planning and budgeting, (iii) the use of people and assets, and (iv) overall performance. The overall objective of the audit was to assess whether the ODG is performing in a way that is likely to maximise value for money. To answer this overarching question, we considered 4 issues:

[a] Are the objectives of the ODG clear?

[b] Does the ODG have the governance and organisational structures in place to deliver its objectives?

[c] Has the ODG applied good practices in the use of its resources to meet its objectives?

[d] How is the ODG performing against its objectives/metrics?

Profile of the ODG

21. **Structure**. The current structure of the ODG evolved through several revisions over the past decade (Functional Review, 2016). As it exists up to now, the structure brought together

administratively, under the DG, a collection of 5 departments that do not otherwise fit together logically or functionally. The 5 Departments comprising the ODG are (a) the ODG Headquarters, (b) the HRMU; (c) the Montserrat Prison Department, (d) the DMCA, and (e) the Royal Montserrat Defence Force. Together, subsequent to our fieldwork, as of December, 2019, these departments had 72 posts, of which 11 were vacant.

22. Roles and functions. The ODG provides policies and oversight for the public service whereby all Permanent Secretaries and Heads of Department ultimately report to the Deputy Governor. This includes ongoing reforms and programmes such as the Empowering Excellence Programme (EEP) and the new Governance Reform and Institutional Development (GRID) programme. Thus, the ODG helps the DG to fulfil her primary role as the Head of the Civil Service. In addition to this, the DG acts as the Governor whenever the substantive Governor is absent from the island or otherwise unable to perform his duties.

Diagram 1.1: Organisational chart of ODG Headquarters:

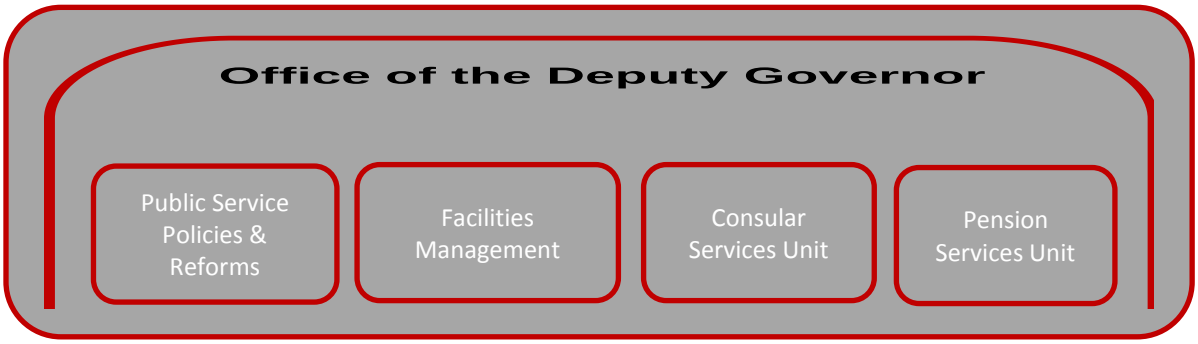
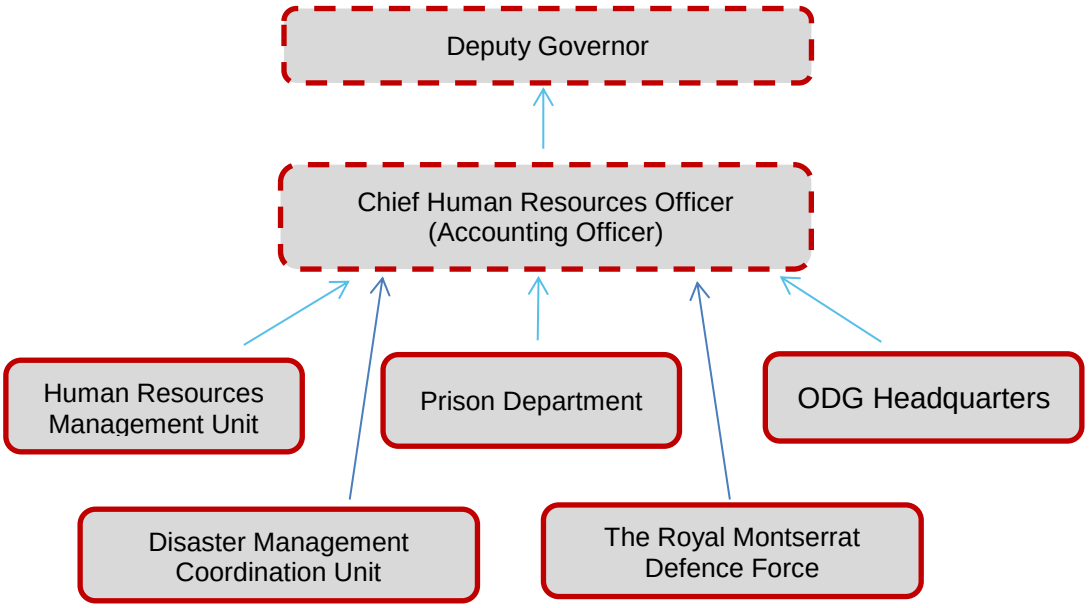


Diagram 1.2: Reporting structure of the ODG's Departments:



Note: The direction of the arrows indicates the administrative reporting lines.

Table 1.3: Overview of the ODG's spending in total and by Department

	FY 2016/2017 audited	FY 2017/2018 audited	FY 2018/2019 audited	3-year TOTAL
The Government of Montserrat's total expenditure	146,151,018	138,962,304	142,764,774	**472,878,096**
ODG's total spending:	**31,082,816**	**27,347,082**	**28,782,907**	**87,212,805**
Operational spending	30,386,153	27,347,082	28,782,907	**86,516,142**
Capital spending	696,663	-	-	**696,663**
The ODG's Departments' Operational Spending:				
120 – ODG headquarters	14,740,143	14,790,654	15,312,103	

121 – Human Resources Management Unit	6,848,073	9,676,273	10,528,603
122 – Montserrat Prison Department	1,169,220	1,173,098	1,213,483
123 – Royal Montserrat Defence Force	144,345	97,504	166,174
124 – Disaster Management Coordination Agency	7,173,635	1,315,360	1,229,810
125 – Governor's Office (Only the part administered by the ODG)	310,737	294,193	332,734
	30,386,153	**27,347,082**	**28,782,907**

ODG's total spending as a % of the GOM's total spending:

	21%	**20%**	**20%**	**20%**

Source: Government of Montserrat's Public Accounts for years 2016/17, 2017/18, and 2018/19.

Profile of the ODG Headquarters

23. Structure. The DG delegates the daily operations of the ODG headquarters to a Director, who is assisted by a staff of 7 employees.

24. Roles and functions. The ODG Headquarters handles/oversees (a) consular services, (b) policies for, and the management of, the GOM's facilities, (c) oversight of the entire public service, including policies and reforms; and (d) administration of the Governor's Office (managed and supported in partnership with the Foreign & Commonwealth Office of the U.K. Government), including the official residence and domestic staff of the Governor. Consular services include issuance of passports and the processing of requests for various categories of residency/ citizenship (e.g., Belongers, Permanent Residence, Economic Residence, Naturalisations, Citizenship, weddings, certificates of marriage, Work Permits). Additionally, the ODG headquarters centrally administers (1) the end-of-contract gratuities for the GOM's contract-employees, (2) terminal payments for employees electing to make early exits from the public service, and (3) pensions for retired public servants, including those who are now resident overseas, as well as (4) pensions payable on the behalf of CARICOM Governments to their retired

nationals resident in Montserrat. During the fiscal year 2018/2019, the ODG headquarters spent $15.3 million in fulfilling these various roles and functions.

25. COVID-19 update. Subsequent to our fieldwork, the ODG and the HRMU provided assistance in the GOM's national efforts to prevent the spread of COVID-19 in Montserrat. This included several measures to support the Ministry of Health, which was the leading agency for implementing the public health measures on the island: for example,

1. The setting up of a Communication Teams to provide support to the Ministry of Health and the Government of Montserrat to ensure effective communication electronically to a diverse group of people and through the various social media platforms. This effort aimed to communicate the Cabinet's decisions in a way that the public could easily understand, and used cutting-edge graphics to communicate quickly and effectively.

2. Effective communication through Establishment Circulars to inform Public Officers at every stage of the COVID-19 pandemic.

3. Effective and efficient remote communication with the Core Management Team to provide support and to continue the Government's Policy Agenda regarding the services of GOM (essential and otherwise).

4. The setting up of the steering committee to look at the re-opening strategy and Business Continuity for the GOM.

5. The setting up of the IT Working Group to advance discussion for Policy and IT infrastructure for remote working as a result of the COVID-19 pandemic.

6. Co-ordination between the Cabinet and the wider Core Management Team in advancing operations as a result of COVID-19 and its evolving issues and matters.

7. The ODG/HRMU working with the Ministry of Finance & Economic Management (MOFEM) and the Treasury Department in order to advance processing and early payments of salaries and other expenditure [a] to ensure that Public Officers were comfortable during the COVID-19 pandemic, [b] to purchase and to disseminate personal protective equipment (PPE).

8. The creation and launch of the ODG's Connect Electronic remote-working platform for communication and continuation of operations within the ODG and the HRMU.

9. Collaboration with Ministries and Departments to advance an analysis of their internal needs and of their external clients'/users' needs, to identify the various electronic applications that are required to do business with the public.

10. Coordination with the Office of the Auditor General to advance the short-term guidelines for whistleblowing re the GOM's programmes to deliver COVID-19 Relief assistance.

11. Setting up of the COVID-19 Monitoring Group to ensure adherence to Public Health Protocols for both the private sector and the public sector and other stakeholders.

Profile of the Human Resources Management Unit (HRMU)

26. Structure. The Head of the HRMU is the Chief Human Resources Officer (CHRO). She is supported by senior officers including a Director of HRIS and a Director of Learning and Development. Several other officers assist with clerical and administrative functions. Subsequent to our fieldwork, as of December, 2019, the HRMU had 17 posts, 3 of which were vacant.

27. Roles and functions. The HRMU centrally manages all matters related to personnel for the public service. During the fiscal year 2018/2019, the HRMU spent a total of $10.5 million undertaking a range of H.R.-related roles and functions. The HRMU's main functions include:

[a] Recruitment. Acquiring and retaining talent on behalf of all of the GOM's Departments are two of the most important functions of the HRMU. Departments' requests for new posts are routed via the HRMU to go to the Cabinet for approval. After approval, the HRMU conducts the advertising of posts, schedules the interviews, and confirms selection-panels, which are approved by the Public Service Commission (PSC). Then, the PSC's recommendations go to the Deputy Governor for final approval. Given the difficulties in filling many positions locally, the HRMU advertises vacancies in the U.K., across the Caribbean, et cetera, to give wide visibility to opportunities for Technical Co-operation (T.C.) positions.

[b] Performance management of staff. The HRMU centrally documents and monitors the planning, the review, and the assessment of the performance of the GOM's employees. All Departments are required to map their strategic plans to the Cabinet's Policy Agenda and to the GOM's priorities. From this, each Department develops Performance and Development Agreements & Reviews (PDARs) for each employee to show the tying of individual goals to the Department's strategies. From the weaknesses/skill-gaps identified in the employees'/ Departments' PDARs, the HRMU produces a consolidated report to inform Learning & Development programmes. The HRMU also works with the CARICAD and with the University of the West Indies (UWI) [a] to obtain technical assistance and [b] to arrange training for employees across the GOM. The regional CARICOM Secretariat has templates for Public Sector Reform and these have proven useful in the HRMU's and the ODG's current reform initiatives. Civil Service

U.K. has templates that HRMU tailored for its employee-survey in Montserrat (and the first such survey was administered in January, 2018).

[c] Managing scholarships and professional programmes. These are funded by the DFID through an amount that is ring-fenced for Learning & Development across the public service. This also covers mandatory training (e.g., for officers at the Prison and in the Police Service), as well as professional training that is required for those employees in specialist posts requiring accreditation.

[d] Prepares a strategic plan and budget for each fiscal year encompassing all of the ODG's Units/Departments, and reports Quarterly Reports to the MOFEM and also to the Office of the Premier (OOP), both of which then monitor performance.

Profile of the Disaster Management & Co-ordination Agency (DMCA)

28. Structure. The DMCA has a Director assisted by a small staff of technical and administrative employees. As of December, 2019, subsequent to our fieldwork, the DMCA had 8 posts, 1 of which was vacant.

29. Roles and functions. The DMCA is the GOM's central agency for the planning and co-ordination of Montserrat's national preparedness for, response to, and recovery after, tropical storms and disasters. The DMCA has a heavy focus on public outreach, education, and the testing of the public loudspeakers (e.g., broadcasting a signal each day at noon). During 2019, the DMCA retrofitted emergency shelters ahead of the Hurricane Season (May to November annually), including the installing, the testing, and the fuelling of backup power-generators. The DMCA is moving away from the use of churches and schools as shelters. When storms approach Montserrat, the DMCA becomes the focal point for mobilising local resources to:

[a] Alert the public,

[b] Muster relief-supplies,

[c] Manage public shelters,

[d] Co-ordinate communications locally and internationally regarding the progress of atmospheric conditions, and

[e] Co-ordinate external assistance.

30. In the aftermath of tropical storms or other disasters, the DMCA manages the assessment of roads and other infrastructure before announcing approval for the population's resumption of normal travel and economic activities. Where necessary, the DMCA also stores supplies for emergencies and oversees the distribution of aid to those affected by disasters in local communities. During the fiscal year 2018/2019, the DMCA spent a total of $1.2 million undertaking its roles and functions. [Note: From the fiscal year 2017/2018, the budget for the Montserrat Volcano Observatory (MVO) is no longer included within the DMCA's budget.]

31. **COVID-19 update.** Subsequent to our fieldwork, the DMCA provided assistance to the Ministry of Health in the areas of (i) operations, (ii) logistics, and (iii) support. [1] DMCA provided masks from its warehouse for the Ministry of Health to distribute to high-priority medical and frontline workers. [2] DMCA operated a call-centre to coordinate requests for assistance from the public, and also assisted the Access Division with the ferry operations. [3] As part of the Ministry of Health and Social Service's various emergency programmes of public aid and support, the DMCA provided transportation to assist with the delivering of food to individuals and to households that were adversely affected by the COVID-19 pandemic (March, 2020, onward).

Profile of the Montserrat Prison Department (MPD)

32. **Structure**. The Prison is overseen by a Superintendent. The staff operates in three shifts per day to provide 24/7 coverage of the facilities. Each shift has an assigned Supervisor and 4 Prison Officers. Supporting services are provided by a Secretary, a Cleaner and a Cook. As of December, 2019, subsequent to our fieldwork, the MPD had 29 posts, 5 of which were vacant.

33. **Roles and functions**. The MPD is the sole agency responsible for the accommodation of convicts as well as those in custody pending trials and sentencing. The current prison was originally designed as a remand-centre; it is, therefore, not built for its current purpose as a facility for full-time and long-term custody of inmates, including those with disabilities, mental illnesses, and other special needs. The MPD's full capacity is 52 prisoners, but it usually houses 18 to 20 prisoners and persons on remand. The MPD's operations include co-ordinating medical care for inmates and transporting them to and from the Glendon Hospital; in such cases, the need for guards to accompany any prisoners leaving the Prison depletes the number of guards remaining on duty at the Prison. As resources and availability of tutors permit, the MPD provides rehabilitation through on-site educational courses for prisoners. In fiscal year 2018/2019, the MPD spent a total of $1.2 million undertaking its roles and functions.

Profile of the Royal Montserrat Defence Force (RMDF)

34. Structure. The Governor is the statutory Commander in Chief, to whom the RMDF's Commanding Officer reports. The Governor's Office has no direct budget for defence; the budget for the MDF is provided through the ODG, with the CHRO as the Accounting Officer for the RMDF, along with all the other Departments that are within the ODG's remit. The RMDF is wholly voluntary, but it is modelled after the UK Territorial Army; therefore, whenever it is embodied or encamped, the RMDF is subject to the Armed Forces Act and The Queen's Regulations for the Army. The Commanding Officer, all Commissioned Officers, and enlisted members are volunteers who serve the RMDF part-time, in addition to their full-time jobs. As it has no dedicated Headquarters, the RMDF uses the DMCA's compound [a] for storage of equipment, [b] for training, and [c] for other activities.

35. Roles and functions. The RMDF's legal mandate includes responsibilities [a] for the defence of Montserrat, [b] for assisting in times of imminent national danger or great emergency, [c] for assisting the local forces during times of civil disturbances, and [d] to coordinate all official military and ceremonial Parades on Montserrat. It has recently relaunched the Royal Montserrat Defence Force Band with a community orientation, which is expected to contribute to important ceremonies and occasions. Continuing training of officers and members of the RMDF includes [a] courses at the Montserrat Community College in building and construction, and [b] training in radio operations (important skills for post-hurricane and other post-disaster recoveries on the island). As a part of its mandate, the RMDF has, at various times, been deployed to participate in regional activities, trainings, rescues, and humanitarian initiatives. For example, after Tropical Storm Erica (year 2016), the RMDF was one of the first units to assist in recovery on the ground in Dominica. Towards development of the force, the RMDF (a) conducts regular local training, (c) hosts periodic joint training with visiting U.K. military colleagues, and (c) provides overseas training opportunities (e.g., one senior officer recently went to the U.K. for training at the Royal Military Academy Sandhurst, a premier training institution). In fiscal year 2018/2019, the RMDF spent a total of $166,174 undertaking its roles and functions.

36. COVID-19 update. Subsequent to our fieldwork, the RMDF was embodied and called to national service to provide assistance to the GOM in several ways: for example, (1) assisting the Ministry of Health and the Department of Social Services in their various emergency programmes of aid and support, (2) supporting the Royal Montserrat Police Service in providing added security at public buildings and other assigned locations, (3) ensuring social distancing at high-volume venues such as supermarkets, (4) assisting with the packaging and delivering of food to individuals and households that were adversely affected by the COVID-19 pandemic (March, 2020, onward),

(5) assisting the Ministry of Education, and (6) providing support to the Golden Years nursing home in the movement of staff to and from work.

CHAPTER 2: STRATEGIC PLANNING & PERFORMANCE

Overview

37. Each Accounting Officer is responsible for producing the budgets and plans, including for capital assets, for his/her Ministry/Department. As the Accounting Officer for the ODG, the CHRO prepares the strategic plans and budgets for all of the ODG's Departments. The MOFEM then co-ordinates the annual budgetary cycle and the associated rolling, 3-year budgets and strategic plans across all of the GOM's Departments. The MOFEM and the OOP monitor the GOM's performance via Quarterly Reports. The annual planning and budgetary cycles begin in April/May each year to ensure that the budgets and plans are concluded before the following fiscal year begins. In the final quarter of each fiscal year, the annual Financial Aid Mission includes visits by the DFID's representatives to review each Department's plans and to negotiate the final budget with the MOFEM. The recurring budget for all Departments is primarily funded through the DFID, whilst their capital budgets are mostly funded by external donors: primarily [i] the DFID and [ii] the European Union's Development Fund.

The ODG'S Objectives

38. Overview. Strategic planning sets the direction for each Department and how it uses resources. Effective budgeting determines the sources and the uses of funds and holds each Department accountable for its performance. Criteria used for assessing objectives in this audit were: (1) Are there clear, stated objectives that are aligned to the overall strategy?; (2) Are there plans detailing how the objectives will be met?; (3) Are the related KPIs/metrics defined and explained?

39. Clear Policy Agenda. The GOM's Policy Agenda is based on the 5 overarching strategic objectives from the *SDP: (1) economic development, (2) social development, (3) environmental management and sustainability, (4) improved governance, and (5) rebuilding of the population. (*See Appendix 5). In turn, the MOFEM's central framework for strategic planning and budgeting requires all Departments to show clear links between their budgets and strategic plans and the *Policy Agenda.

40. Framework for strategic planning. In line with the GOM's standard framework, the ODG has a rolling three-year Strategic Plan that outlines strategic priorities, policy-based goals, and KPIs. The ODG's objectives have remained largely the same over the last 3 years. Each Department's budget and strategic plan are reviewed and revised every year. The Departments'

report regularly to the MOFEM, which a previous audit confirmed has a PEFA-compliant framework for assessing and for prioritising Departments' requests for new spending.

Table 2.1: The ODG's Vision, Mission, and Strategic Objectives.

Vision
The Montserrat Public Service recognised as an employer of Choice and Competent Provider of Responsive, Results-oriented Public Services, Policies and Procedures that are consistent with standards of excellence and values of good governance, fiscal discipline, transparency, accountability, integrity and respect.

Mission
To provide an enabling environment in which the Deputy Governor is empowered to fulfil the constitutional mandate to assist the Governor in the exercise of good governance as it relates to the management and reform of the Montserrat Public Service; the protection of the National Security Interest in Disaster Management, Defence, Ceremonial Duties and Consular Affairs; and the preservation of Public Safety through the Prison and Parole system.

Strategic Priorities
In accordance with the Strategic Development Plan (2008-2020), the Medium Term Development Strategy 2013-2017 (MTDS), and the Government of Montserrat (GOM) Policy Agenda 2016/17 - 2018/19, our strategic priorities are:
1. To strengthen Good Governance across the Public Service at both the policy (strategic) and implementation (operation) level through corporate leadership and high performance.
2. To ensure fiscal discipline and accountability through the appropriate monitoring of the Public Policy, Planning, Budget Preparation and Performance.
3. To protect the public and to reduce re-offending through the effective execution of court sentences, detention, rehabilitation and parole.
4. To coordinate and to facilitate a multi-agency approach which integrates Disaster Management policy and practice into the mainstream of community activity through the Hazard & Risk Assessments; Education & Awareness; Mitigation; Preparedness for Emergency Response, Recovery and Reconstruction; Prediction & Warning; Strategies for 'Lessons Learnt' from Disaster; and Regional & International Cooperation.

(Source: ODG's Strategic Plan, 2016/17 to 2018/19.)

41. **Policy-links for some objectives were unclear**. Each Department within the ODG has developed a set of objectives. These are generally clearly stated, but they do not always link clearly to the Policy Agenda/the SDP. For example, one of the ODG's objectives is to "improve

employee and customer satisfaction through the implementation of an equitable reward and recognition system". However, this does not clearly link to any of the objectives in the GOM's Policy Agenda. (Appendix 6 shows the links between the ODG's objectives and the objectives of the GOM's Policy Agenda.)

The ODG's Key Performance Indicators (KPIs)

42. Overview. Key performance indicators are important for measuring progress towards strategic plans, budgets, and related objectives. Indicators measure such variables as (a) inputs, (b) outputs, (c) outcomes, (d) milestones, (e) activities, and (f) the impacts of policies and of processes. Well-designed indicators enable easy monitoring and reporting of performance. Criteria used for assessing indicators in this audit were: (1) Are KPIs clearly stated?; (2) Are KPIs correctly classified?; (3) Are KPIs appropriate?; (4) Are KPIs measurable and effective?

43. The ODG has a performance framework for measuring against its objectives. The ODG has set KPIs as part of its Strategic Plan. Each Department, in turn, has a number of indicators that measure outputs and outcomes. However, several objectives did not have KPIs. The KPIs did not all provide sufficient clarity to allow stakeholders to determine the ODG's performance against its objectives. Clear and useful assessment against these metrics was also sometimes poor. No targets or methods of measurement were specified for most of the outcome indicators mentioned in Departments' strategic plans.

44. Classification of KPIs. Over the three fiscal years that we reviewed, the number of ODG's indicators rose from 55 to 76. However, the majority of the indicators measured activities and outputs rather than strategic impacts and outcomes, though this improved markedly in fiscal year 2018/2019. (See the Table 2.2 below.) In fiscal year 2018/2019, the ODG reassessed its KPIs as measures of outputs and outcomes; however, we assessed that, in many cases, these indicators were misclassified (e.g., some measures of output were classified as measures of outcomes and vice versa). This could indicate a lack of understanding about the difference between measures of outputs and measures of outcomes.

Table 2.2: The ODG's Performance Indicators – Classification

	Financial Year		
	2016/17	**2017/18**	**2018/19**
Number of Outcome/Performance indicators	16	17	45
Number of Output indicators	39	33	31
Total	**55**	**50**	**76**

45. KPIs need to improve. Our analysis of the Departments' KPIs for the past three fiscal years shows that many of them were not clear, appropriate, and/or measurable. However, there was major improvement in fiscal year 2018/2019; we assessed 79% of the ODG's KPIs for that year as being clear, measurable, and realistic. An example of an unclear KPI was "number of rrecommendations implemented from functional review"; it is not clear how this will be measured, whether some recommendations are weighted more than others, or what the target is. An example of an inappropriate KPI was "number of repeat offenders"; it is not clear whether the target set is the desired number or a maximum, and it could drive the wrong behaviours. There is a similar but better KPI that measures the same area of performance: "rates of recidivism". An example of an unmeasured/unmeasurable KPI was "Fit-for-purpose, functional, and user-friendly HRIS in place"; it is not clear how this will be measured. (See the summary in Table 2.3 below.)

Table 2.3: The ODG's Performance Indicators – Assessment

	Financial Year		
	2016/17	**2017/18**	**2018/19**
Indicators meeting the following criteria: Clear Measurable Realistic	**30**	**24**	**60**
% of total	**55%**	**48%**	**79%**
Indicators not meeting the following criteria: Clear Measurable Realistic	**25**	**26**	**16**
% of total	**45%**	**52%**	**21%**

46. Gaps in reporting. During the fiscal years 2016/2017 to 2018/2019, the ODG and its Departments were not reporting against all of their stated KPIs. For example, 2016/17 Quarterly Reports were not made available for review.

47. Many KPIs have not been met. Over the past few years, many of the Departments' KPIs were not achieved. In some cases, there were shortfalls in performance; in other cases, there was no progress or implementation. (See the Table 2.4 below.) However, the ODG's performance against its KPIs has slowly improved over time, albeit from a very low base. For

example, our analyses found that the proportion of Departments' targets met rose from 14% in fiscal year 2017/2018 to 29% in fiscal year 2018/2019. However, as reported above our reviews found that at least 1/3 of targets were not measured in the Quarterly Reports. In 13 cases, no target was specified or it was unclear if the target was met.

Table 2.4: Assessment of KPIs: Performance versus Targets

	Fiscal Year 2016/17		Fiscal Year 2017/18		Fiscal Year 2018/19	
	Number	**%**	**Number**	**%**	**Number**	**%**
Targets met			7	14%	22	29%
In progress / Partly met			2	4%	2	3%
Targets were not measured in Quarterly Reports			18	36%	25	33%
Targets were not met			10	20%	14	18%
Not clear if targets were met - targets not specified			13	26%	13	17%
Total	**0**		**50**		**76**	

Note: As some documents for prior years were no longer available, or could not be found, no Quarterly Reports for the ODG were provided to the auditors for the fiscal year 2016/2017.

Uses of the ODG's Management Information

48. Overview. Information is useful to the extent that it is (a) relevant to objectives, (b) timely, (c) accurate and reliable, and (d) clearly reported to the appropriate stakeholders. Criteria used for assessing the use of information in this audit were:

(1) Is there a clearly defined system of accountability?

(2) Are the ODG's Departments regularly reporting their progress against their budgets and strategic plans?

(3) Do reportees give appropriate and timely feedback to reporters?

(4) Is there evidence of an effective feedback-loop whereby measuring, reporting and monitoring of progress (or lack of it) results in timely actions and better decision-making?

49. Uses by the ODG. The ODG has told us that its reports are primarily used internally for financial management; however, we received no clear evidence to substantiate this. Beyond this, it is unclear if or how data are being used to assess performance and to inform other managerial decisions. Each Department has monthly management meetings chaired by the Head of Department. There is also a monthly meeting of the ODG's Heads of Department. Prior to 2019, there were no minutes of internal meetings/agendas. However, subsequent to our fieldwork, we received some evidence that improvements are being made, since late 2019, including the keeping of records of minutes for the HRMU's monthly management/staff meetings. The DG also chairs monthly Core Management Meetings with Permanent Secretaries and other senior officers. During 2019, the DG initiated periodic meetings with all Heads of Department to ensure broader sharing of information.

50. Uses by the GOM. The ODG sends quarterly reports (1) to the MOFEM and (2) to the Monitoring and Evaluation Unit (MEU) (within the OOP). However, the ODG's Heads of Department stated that they receive little or no feedback from these bodies. Formats for these reports have also been changed over time. For the period that we reviewed, fiscal year 2016/2017 to fiscal year 2018/2019, we found no consolidated monitoring & evaluation reports regarding the GOM's progress in achieving the SDP.

51. Uses by the DFID. The ODG reports to the DFID twice a year: (a) before the annual Financial Aid Mission and (b) again to confirm the final budget before the new fiscal year begins each April. The main use of these reports is to negotiate budgets and to allocate funding support.

Recommendations

52. Ensure that the objectives for the ODG and for its related Departments are more clearly linked to the Policy Agenda.

53. Ensure that every objective for the ODG and for its related Departments has KPIs and that all KPIs clearly support objectives.

54. Seek timely and useful feedback. The ODG should request that its counterparts, such as the MOFEM and the MEU (OOP), give adequate feedback to each reporting Department.

55. Improve the ODG's KPIs. The ODG should make its KPIs clearer, more measurable, more relevant to objectives, and focused more on outcomes.

56. Improve the reporting of ODG's performance. The ODG should ensure that all of its Departments regularly measure, monitor and report against all of their objectives and KPIs. The Quarterly Reports, for instance, should be complete and timely.

57. Strengthen ODG's Departments' record-keeping and reporting capabilities. (1) Records of all management meetings, key decisions, and actions must be kept. (2) The ODG should further improve the management of its records, and those in all of its related Departments, to achieve benefits such as these:

[a] Digitisation of all records, thus reducing the widespread reliance on manual processes, paper-based files and documents, and physical storage,

[b] Safekeeping of documents, thus minimising instances of the loss of, or inability to find/retrieve, historical data, documents, and reports (e.g., quarterly reports missing / could not be found for fiscal year 2016/17),

[c] The maintaining of data and reports for business-continuity, audits, & compliance, and

[d] The retention of documents to facilitate employees' productivity as well as effective succession-planning, including ensuring that persons appointed to posts, or acting temporarily, can easily locate necessary information from predecessors, while leaving a clear trail for those coming after them to follow.

CHAPTER 3: THE ODG'S USE OF RESOURCES

Overview

58. All of the ODG's Departments use funds, human resources, and some capital assets of various categories: e.g., furniture, buildings, equipment, appliances, computers, vehicles, et cetera. Financial management is discussed in Part 1 of this chapter. However, beyond internal uses of resources, the ODG's responsibilities for human resources and for facilities management extend across the entire public service. (See Part 2 of this chapter.) In most cases, the GOM's traditional approach has been to buy and to own capital assets outright rather than to rent or to use external contractors, except for temporary uses and for projects. The rationale for this is that owning has lower total long-term costs than either renting or financing, and gives the GOM full ownership of most of the assets used in the public sector. Likewise, the use of human resources is mostly on a direct full-time employment basis, with only a small percentage of short-term or part-time workers, or outsourced services (e.g., the daily cleaning of public offices).

Part 1: Financial Management

Findings of the Audit

59. ODG represents one fifth of GOM's spending. The ODG's actual spending has varied over the past several years: e.g., [a] operational spending fell from $30.4 million in fiscal year 2016/2017 to $27.3 million in fiscal year 2017/2018; [b] capital spending declined from $0.7 million in fiscal year 2016/2017 to zero in fiscal year 2017/2018. The biggest part of this overall decline was a large cut in the departmental budget for the DMCA: from $7.2 million in fiscal year 2016/2017 to $1.3 million in fiscal year 2017/2018. [Note: the DMCA had previously overseen the budget for the Montserrat Volcano Observatory (MVO), but, from the fiscal year 2017/2018 onward, that budget was removed from the DMCA's budget and the MVO became a stand-alone entity with its own accounting responsibilities.] The ODG's proportion of the GOM's total public service spending was an average of 20% to 21% per year over recent years.

60. Trend of underspending versus budget. The ODG and all of its related Departments had a pattern of net underspending versus their budgets in each of the fiscal years 2016/2017 to 2018/2019. (See further details in Appendix 8). The biggest shortfall was in the

HRMU: the cumulative total underspending for these 3 years was $4.20 million; on average, the HRMU underspent 13% of its budgeted expenditure each year. This primarily reflected slow recruitment and a significant number of vacant posts both [a] within the ODG's Departments (with the rate of vacancies more than doubling from 7% in fiscal year 2016/2017 to 16% in fiscal year 2018/2019) and [b] across the public service (worsening by 33% within two years, rising from 97 unfilled posts in fiscal year 2016/2017 to 129 unfilled posts overall for fiscal year 2018/2019), including a high rate of vacant posts in the TC programme (over 45% each year). The following 3 tables (Tables 3.1, 3.2, and 3.3) summarise the Departments' total revenues and spending for each of these fiscal years:

Table 3.1: Summary of the ODG's Departments' Total Revenues & Spending: Budgeted versus Actual during Fiscal Year 2016/2017

	Fiscal Year 2016/2017		
	Approved Budget	**Actual Revenue / Spending**	**Variance - Over budget / (Under budget)**
Revenue - Total Budget	**271,100**		
Revenue - Total Actual		**374,200**	
Revenue - Total variance over/(under)			**103,100**
Expenditure - Total Budget	**32,384,600**		
Expenditure - Total Actual		**30,386,153**	
Expenditure - Total Variance over/(under)			**(1,998,447)**

Overall outcome:

Actual Expenditure versus Budget **94%** **6% underspent**

Table 3.2: Summary of the ODG's Departments' Total Revenues & Spending: Budgeted versus Actual during Fiscal Year 2017/2018

	Fiscal Year 2017/2018		
	Approved Budget	Actual Revenue / Spending	Variance - Over budget / (Under budget)
Revenue - Total Budget	271,100		
Revenue - Total Actual		361,430	
Revenue - Total variance over/(under)			90,330
Expenditure - Total Budget	29,669,200		
Expenditure - Total Actual		27,347,082	
Expenditure - Total Variance over)/(under)			(2,322,118)

Overall outcome:
Actual Expenditure versus Budget 92% 8% underspent

Table 3.3: Summary of the ODG's Departments' Total Revenues & Spending: Budgeted versus Actual during Fiscal Year 2018/2019

	Fiscal Year 2018/2019		
	Approved Budget	Actual Revenue / Spending	Variance – Over budget / (Under budget)
Revenue - Total Budget	271,100		
Revenue - Total Actual		353,785	
Revenue - Total variance over/(under)			82,685
Expenditure - Total Budget	29,287,000		
Expenditure - Total Actual		28,782,907	
Expenditure - Total Variance over/(under)			(504,093)

Overall outcome:
Actual Expenditure versus Budget 98% 2% underspent

61. The ODG has commissioned several consultancies but, without the needed funding support, few of their recommendations have been implemented. Over the past several years, the ODG has had at least three consultancies on H.R. issues, including the regrading of posts and compensation, but we found very little evidence of implementation. Likewise, we found no evidence of implementation of the recommendations from the year-2018 consultancy that assessed the GOM's offices and other public buildings. It found widespread deficiencies arising from a large and growing backlog of repairs and maintenance. In particular, highlighted that at least 80% of public buildings required major upgrades to meet standards of health and safety and users' needs. The ODG has recently requested funding from the DFID to support its budget for the necessary repairs and maintenance over the next three years.

Recommendations

62. Continue to improve planning, budgeting, and reporting. As an example, the ODG's headquarters maintained the same budgeted amount for revenues ($270,000) each of the 3 fiscal years that we reviewed (2016/2017 to 2018/2019) (and, subsequent to our fieldwork, did so again for the fiscal year 2019/2020), but the actuals consistently surpassed this figure, averaging over $350,000 every year, despite economic shocks (e.g., major hurricanes during year 2017). Therefore, the budgeted revenues should be revised in line with the actual trend, and regularly updated for any available more recent information affecting forecasts.

63. Implement the agreed recommendations of consultancies. To achieve value for money from consultancies that it procured in recent years, the ODG must begin to implement the main agreed recommendations in a timely way. This requires the financial support of the DFID per the ODG's requests for this; accordingly, before procuring any future consultancies or studies, the ODG should ensure that there is a clear commitment, in advance, to provide the necessary funding to support the implementation of at least some of the recommendations. In particular, the ODG should take action on the following initiatives:

(a) Provide the specified additional funding needed for maintenance and renovations of public buildings, with special regard to the health and safety of GOM's employees and users of public services, especially in a pandemic environment;

(b) Undertake the upgrading of compensation and of several posts across the public service to improve attraction and retention of talent and to reduce the number of job-offers declined by selected candidates; and

(c) Implement effective workforce planning and strategic H.R. management.

These are all in line with supporting the ODG's key roles in [1] management of the GOM's facilities and [2] oversight and development of the public service, while contributing to the Policy Agenda.

Part 2: Management of Human Resources & Facilities

Overview

64. Resources are essential to any organisation's being able to meet its goals and objectives. This section of the report focuses on the management of human resources. The audit conducted on the ODG and its related Departments assessed whether each Department applied good practices in using its resources to enable the Department to achieve its objectives. As a result of a declining private sector since 1995, the public sector has become the major part of Montserrat's economy. Hence, public employees represent the majority of the island's workforce and a large proportion of households. In this way, public employees and their families are also a large percentage of the users of public services. Thus, the ODG's effective management of the public service also directly contributes to the economy and to the society, helping to achieve various objectives stated in the Cabinet's Policy Agenda and in the SDP.

Findings of the Audit

65. Capability-gaps recognised. In February 2018, the special Cabinet Committee of the Government of Montserrat commissioned the preparation of a Workforce Strategy and Plan (WS & P). The WS & P sought to make changes to the structure and leadership practices of the GOM to improve the commitment, creative engagement and performance of the workforce. A gap analysis was conducted, which revealed that, since the volcanic eruptions of 1995, Montserrat has faced a large and growing skills-deficit, across many areas of the public service, caused by the high level of emigration. This is compounded by the cumulative loss of skills as growing numbers of public servants have retired, taking advantage of the options for early pensions introduced after 2015. (Sources: Montserrat Social Security Fund's data & actuarial reviews; ODG's/HRMU's data).

66. Recruitment is slow, but improving. Data from the HRMU across the GOM indicated a historical average of 120 days or more from the advertising of posts to the making of an offer to selected candidates. Departments that we surveyed reported widespread dissatisfaction with the process of recruitment, and especially the length of time taken to fill posts. As of April, 2019, the HRMU reported that, for recruitments across the public service, the average duration had improved to 63 days. However, for the TC programme, consistent with previous findings of [1] vacancy-rates over 45% and [2] the extended average duration of vacancies, the recent data that we received subsequent to our fieldwork indicated that significant issues persist in the filling of TC-employee posts.

67. The ODG has a trend of significant staffing gaps. The evidence from Nominal Rolls for the fiscal years 2016/2017 to 2018/2019 showed that the rate of vacant posts in the ODG's Departments more than doubled (from 7% to 16%) over the 3 years that we reviewed (see the Table 3.4 below; see also Appendix 9). Nevertheless, as at December 3rd, 2019, the Nominal Roll showed that the 5 departments experienced a decrease in their overall vacancy rate as 4 of their 11 vacant posts were shown as filled. Likewise, a relatively high vacancy-rate across the entire Government has persisted over the years, and has worsened 33% in recent years, rising from 97 unfilled posts in fiscal year 2016/2017 to 129 unfilled posts in fiscal year 2018/2019. Concurrently, the number of persons in posts dropped from 887 to 879. This is partly due to [1] continued emigration of native Montserratians (per the National Census in 2011 and the National Census in 2018), and [2] relatively low remuneration locally versus regional and international scales, as highlighted in [a] our interviews with a broad sample of other departments across the public service, and [b] the OAG's previous study, Absenteeism in the Montserrat Public Service: Prevalence, Causes & Costs (covering data for years 2015 to 2017) (report published in 2018).

Table 3.4: The ODG's staffing – Number of established/approved posts and the rate of vacant posts for fiscal years 2016/2017 to 2018/2019

	Fiscal Year 2016/2017 !		Fiscal Year 2017/2018		Fiscal Year 2018/2019	
	Number of posts	Vacancy rate	Number of posts	Vacancy rate	Number of posts	Vacancy rate
ODG Hq.	17	6%	17	18%	17	6%
HRMU	17	12%	16	13%	16	25%
Prison	29	7%	29	10%	29	14%
DCMA	7	0%	7	-14%	8	25%
Total	**70**	**7%**	**69**	**10%**	**70**	**16%**
Total GOM	**986**	**10%**			**1,010**	**13%**

Footnote re Table 3.4: See Appendix 9 for more details of posts approved, posts filled, and numbers of vacancies.

68. The TC Programme is used to fill gaps in local skills. As part of addressing the widening local skills-gaps, the Technical Co-operation programme was instituted in year 2012 by

the DFID in conjunction with the Government of Montserrat. As part of its Annual Strategic Planning priorities, each Ministry/Department is expected to assess its TC requirements. The TC programme was designed to fill critical and hard-to-fill positions as well as to transfer skills to the local understudies. The aim is to have greater building of local capacity so that the benefits of the Programme to the ODG, and, by extension, across the GOM, will be sustained for the long term.

69. High vacancy-rate in the TC Programme. As of March 31st, 2019, the end of fiscal year 2018/2019, there were 47 approved TC employee posts, but only 25 were filled. (See Table 3.5 below.) Within fiscal year 2019/2020, subsequent to our fieldwork, we noted that the vacancy-rate worsened to 48%: 20 posts vacant out of 42 posts available. Subsequently, as of December, 2019, there were 42 approved TC employee posts, of which 22 were filled, 12 posts were at various stages of the recruitment process, and the plan was to appoint 8 TCs before March, 2020. In addition, the HRMU advised us that it planned to have 9 TC posts approved by the Cabinet for the next financial year, 2020/2021, which is outside of the period of this audit. Based on the evidence that we obtained, we noted that Structural Engineer, Social Workers, and Medical Officers were among some of the TC-employee posts that are difficult to fill.

Table 3.5: Technical Co-operation Programme: Numbers & vacancies of long-term employee posts

	Fiscal Year 2018/2019	Fiscal Year 2019/2020
# of Approved TC posts	47	42
# of Filled TC posts	25	22
# of Vacant TC posts	22	20
% of Vacant TC posts	47%	48%

Footnote re Table 3.5: Some of the information that we requested for earlier years was not made available to us. Therefore, the Table 3.5 above reflects [a] the available data for the fiscal year 2018/2019 and [b] the most recent comparative information (for the fiscal year 2019/2020) that we received since the period of our fieldwork.

70. Major underspending versus the TC Programme's budget. The high vacancy-rate in approved TC-employee posts has resulted in major underspending of the TC Budget. Time and resources have also been wasted, owing to the frequent need for the re-advertising of some posts. For the fiscal years 2016/2017, 2017/2018, and 2018/2019, the ODG's biggest area of underspending was in the HRMU, under the budgeted category Head 236: Professional Services & Other, almost all of which related to the TC programme. Hence, the overall underspending exceeded $0.9 million in each of these three years and accumulated to over $6.6 million over these three years. See the Table 3.6 below.

Table 3.6: Spending on Professional Services & Technical Cooperation posts: fiscal years 2016/2017 to 2018/2019

Analysis of Head 236: Professional Services & Other.	**Fiscal Year 2016/2017**	**Fiscal Year 2017/2018**	**Fiscal Year 2018/2019**
Budget for Professional Services, including the TC programme	$5,009,300	$10,000,000	$7,400,500
[a] Actual spending for Professional Services, including the TC programme;	$3,285,179	$6,269,476	$6,741,336
[b] **Actual spending on the TC programme**	**$3,062,442**	**$5,847,671**	**$6,452,630**
Total underspending against the budget	$1,946,858	$3,730,524	$947,871
Percentage of underspending against the budget	**39%**	**37%**	**13%**

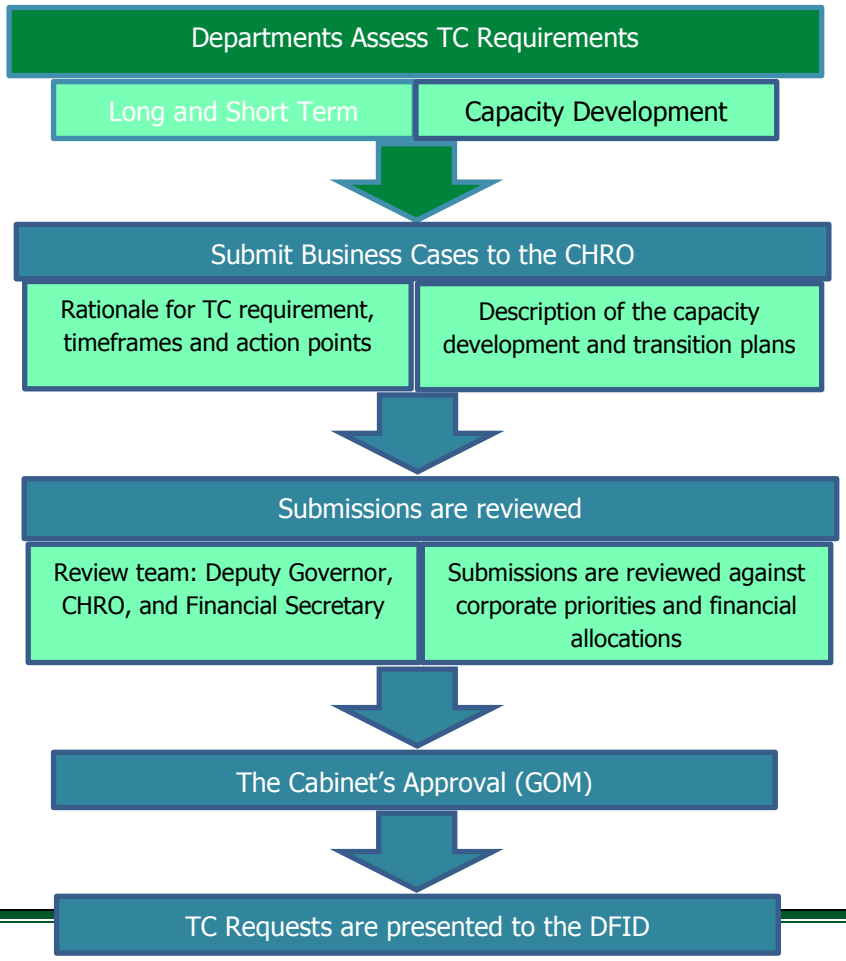
Note: Adjusting for vacant posts, the revised budget for the fiscal year 2018/2019 was reduced by 26% versus the budget for the fiscal year 2017/2018; to put the figures above on a similar basis for those two years, the shortfall in 2018/2019 was effectively 33% underspending compared with 37% in the prior year.

Sources: The Office of the Auditor General's analysis of the ODG's data: [a] budgets from the GOM's Approved Estimates and [b] actual spending from the GOM's Public Accounts.

71. A TC Programme approval-process exists, but was not followed. The process involves several steps: [1] assessing the TC requirements, [2] submitting business cases to the CHRO, [3] reviewing of submissions, [4] requesting the Cabinet's approval of the proposed TC

posts, and [5] presenting of the TC requests to the DFID [Source: The Technical Cooperation Protocol booklet (2018)]. The criteria for the business cases should include the following: (i) the rationales for the technical cooperation required, in addition to the timeframes and actions to be taken to source the assistance, and (ii) a description of the capacity development and transition plans that will enable local officers to fill the positions, once the long-term technical cooperation officer has completed his/her engagement. In reviewing files and testing the procedures for a sample of 12 TC employees, we found a number of areas of non-compliance with the TC process. We found that (a) for the majority of the sample, there were no business cases, (b) the business cases that we received did not meet all the criteria outlined in the TC booklet, and (c) there was no evidence of the Cabinet's approval. We also found that there was a lack of clear skills transfer, which is a requirement of the TC programme, as this was not stipulated in contracts, in business cases, and/or in advertisements of vacant posts. Some posts also had no local understudies assigned to them.

Flow Chart 3.7: The Process of Approval for Technical Cooperation (TC) employee-posts



Sources: [a] The Office of the Auditor General's review of the ODG's data;
[b] The Technical Cooperation Protocol booklet (2018 edition).

72. Issues with the recruitment of TC employees. In our analysis of the findings, we found that, over the past several years, the process of recruitment has been lengthy. This resulted from a number of factors: (a) the need to send several offer-letters to some candidates, (b) long negotiation of remuneration packages, and (c) the need for re-advertising of posts when selected applicants did not accept their offers from the HRMU.

73. Improved management of the TC Programme. We recognise the recent efforts that have been made by the HRMU to improve the oversight and the other issues of the TC Programme, for example, by introducing an annual internal review through the Aston Business Assessments 360-degree assessment tool. This tool enables quick measurement of competence potential within organisations. The objective of utilising this tool was to assess the impact of TC employees' engagement within the GOM and the effectiveness of their interaction with their colleagues. The first phase of the assessment was carried out in May, 2019, where 18 TC employees were evaluated. Phase 2 of the assessment was undertaken in March, 2020. As a result of this assessment, there have been some improvements in the administration of the TC Programme, including quarterly sessions convened by the CHRO with all of the GOM's TC employees. This allows for sharing of employees' experiences, individual perspectives, challenges faced, and lessons learned.

74. Development of an H.R. Information System (HRIS). The need for an HRIS was highlighted in a previous study by the Office of the Auditor General (Absenteeism in the Montserrat Public Service: Prevalence, Causes and Costs) (2018). As of December, 2018, there was no use of an HRIS, and there were still many manual processes and procedures and excessive use of paper. Since that study, the HRMU commenced the implementation of a new HRIS, and appointed a Director of HRIS in November, 2018, to design the HRIS and to implement the project.

75. The HRIS implementation is making progress. The purpose of the HRIS is to create an H.R. intranet and electronic H.R. records for all public-service employees over a three-year period. The HRIS is a project that started in November, 2018, and is expected to be completed by October, 2021. Given its long history of using excessively paper-based systems, the HRMU has recognised the need for an information system, which will contribute to an efficient filing system. Phase 1 of the project was launched in the Summer of 2019, and several modules have been developed subsequently. As at February, 2020, 9 stages were consistent with the

timeline that was set. However, 4 of the stages were not on target and require rescheduling. Over the past two years, announcements and reminders from the ODG/HRMU and within Departments indicated [a] that several features of the HRIS were not yet activated and [b] that several employees either had not used the system at all, or had not completed their information within the system. The Table 3.8 below summarises the various stages of the implementation, their progress so far, and their actual status versus their original expected dates of completion.

Table 3.8: Implementation of the HRIS: Planned Timelines versus Actual Progress to date: Interim Review of Years 2018 to 2020

Description of Phase/Activity	Planned Starting Date	Planned Ending Date	No. of Days	Percentage of Progress	On Target?
Approval & Buy-in for HRIS Development concept	01-Nov-18	15-Dec-18	45	100%	Yes
Procurement of electronic products	01-Dec-18	30-Jun-19	212	67%	No
Supply/Advisory Bodies	01-Dec-18	31-Mar-19	121	100%	Yes
Template Design & Server Configuration	04-Mar-19	30-Apr-19	58	100%	Yes
Build Capacity of Staff	01-Jan-19	31-Oct-21	1035	30%	Yes
Officer Data Validation	15-Mar-19	30-Sep-19	200	89%	No
Organizational Design Module	15-Jun-19	31-Aug-19	78	82%	No
Personnel Management Module	01-Jul-19	21-Jun-20	357	8%	Yes
Attendance & Leave Module	16-Jul-19	15-Dec-19	153	8%	No
Performance Management Module	30-Jun-20	15-Apr-20	77	0%	Yes
Recruitment Module	01-Jul-19	17-Sep-20	445	2%	Yes
Learning & Development Module	01-Nov-20	30-Oct-21	364	0%	Yes
Additional Intranet Features	15-Oct-19	31-Mar-20	169	3%	Yes

Source: Updates from the Director of HRIS as of February, 2020.

76. Urgent need for maintenance and upgrades of public buildings. Facilities management and the Government's estate fall under the remit of the Deputy Governor. There are currently 29 facilities, most of which are owned by the GOM, and others are rented. In order to understand the condition of the assets, the GOM engaged Alpha Consultancy in year 2018 to develop [1] a strategy for the maintenance of the GOM's buildings and [2] a plan for implementation to address the current issues. This study led to a recommendation that 80% of the public buildings require urgent repairs and maintenance to meet B-standard. The plan is clear and the consultants estimated that this will require EC$53 million over a 10-year period in two phases to eradicate the backlog of maintenance. Although a request of EC$8 million per year was made so that the work can proceed in stages, there has not been any progress to date. The Government of Montserrat has requested funding from the DFID to clear the backlog. Subsequent to the period of our fieldwork, the COVID-19 global pandemic began to affect Montserrat in March, 2020; the new protocols and enhanced regulations for public health make the previously recommended retrofitting and upgrading of public buildings even more urgent.

77. The cost of the GOM's pensions to public servants is rapidly increasing. The recurring issue of pension-related payments and liabilities has been highlighted in the strategic objectives of the ODG as these have continued to increase over the years. (See Table 3.10.) In the most recent quarterly report of fiscal year 2019/2020, it was stated that payments of pensions increased significantly over the reported period. At the moment, pensions paid, as well as gratuities paid for early exits from the public service, continue, on average, to exceed EC$1 million per month. In turn, the GOM's total accrued actuarial liabilities for pensions to its past and present employees are far greater than the amounts being paid, but these liabilities are not disclosed in the ODG's budgets or strategic plans. The ODG is also in arrears to reimburse other Caribbean Governments for pensions that have been paid to Montserratian nationals overseas. It was most recently reported that the GOM's outstanding arrears for such pensions are in the amount of approximately half a million dollars (Quarterly Report of 2019/2020). In our analysis of the findings, we noted a trend of over-spending, whereby the actual amounts were consistently above the budgeted amounts. (See Table 3.9.) One of the reasons for this was unexpected payments arising: e.g., not budgeting for legislators' gratuities. This indicates a major weakness in the budgeting process for pensions. However, a detailed study of pensions was not within the scope of this audit and would be worthy of a separate study.

Table 3.9: The ODG's Budgeted Pensions versus Actual Pensions Paid: Fiscal years 2016/2017 to 2018/2019

2016/2017		2017/2018		2018/2019	
Estimated	Actual	Estimated	Actual	Estimated	Actual
$11,095,800	$11,795,693	$11,428,600	$11,228,626	$11,428,700	$11,663,075

Table 3.10: The ODG's Forecast Pension Payments: Fiscal years 2019/2020 to 2021/2022

2019/2020	2020/2021	2021/2022
$11,100,000	$12,000,000	$13,000,000

Sources: The ODG's Strategic Plans and Budgets for the fiscal years 2016/2017 to 2021/2022.

Recommendations

78. The TC Programme requires better management. The ODG should continue to improve the process accountability and management so that the intended purpose of the programme will be realised and so that it can achieve value for money. The ODG should ensure [a] that the process for the approval of TC-employee posts is followed and [b] that there is clear visibility over decisions. The ODG should ensure that improved transferring of skills takes place from TC staff to regular staff: i.e., [1] specifying this in their employment contracts, and [2] ensuring that Departments have supporting staff to understudy TC employees to ensure that the transferral of knowledge and skills takes place.

79. Reduce the number of vacancies. Given the impact that rising vacancies (both their number and their duration) are likely to have on the delivery of public services, the ODG and the HRMU should continue to identify and to resolve the main reasons for vacancies, including factors such as prolonged recruitment-cycles, the terms and conditions of offers/contracts, and the turnover of employees. Also reassess personnel needs and close posts that are no longer needed.

80. Prioritise maintenance and upgrades of the GOM's office buildings. To maintain a safe, healthy, and productive work-environment for all of the GOM's employees, the ODG should give higher priority to the timely and adequate maintenance and upgrades of buildings and premises across the public sector. In turn, this will improve the conditions in which the public receives services. This was already identified as an urgent issue in previous years and, now, it is especially important in an environment of heightened public-health risks and protocols amidst the worsening COVID-19 global pandemic, which arrived in Montserrat in March, 2020, resulting in 12 confirmed cases and 1 death to date (as of August, 2020) (Ministry of Health's reported data).

81. Review the implementation of the H.R. Information System (HRIS). While continuing to support the modules that are on track, the ODG should perform a comprehensive review of the implementation of the HRIS across the public service to date, including the following steps:

[a] Review, reassess, and reschedule those modules and features that are behind schedule and/or have not yet been activated;

[b] Identify and address the causes for delays;

[c] Reach out to employees who have not yet logged into the system;

[d] Prioritise training and support for aspects such as these:
[1] Areas with a high percentage of errors,
[2] Areas with gaps in data, and/or
[3] Areas of non-participation by employees to date.

CHAPTER 4: OVERALL CONCLUSION

Main Findings

82. The ODG has set objectives that are based on the GOM's Policy Agenda and the Sustainable Development Plan (SDP) (2008 to 2020). The ODG has a rolling three-year Strategic Plan that sets out strategic priorities, policy goals, and Key Performance Indicators (KPIs). The GOM'S Policy Agenda is based on the overarching strategic objectives from the SDP. Each Department within the ODG has developed a set of objectives; these are generally clear, but they do not always show links to the Policy Agenda/SDP.

83. The ODG's performance has improved slowly, but there is significant scope to improve performance further. For the financial years 2017/2018 and 2018/2019, the ODG met 14% and 29% of its performance targets respectively; 20% and 18% of the performance targets in the respective years were not met. In other areas, performance was not clearly defined and/or was not reported. No quarterly performance-reports were made available to us for the 2016/2017 financial year; hence, we could not make a detailed assessment for that financial year.

84. Some of its Key Performance Indicators (KPIs) do not help the ODG to measure performance against its objectives. The ODG had 55, 50 and 76 metrics/KPIs for fiscal years 2016/2017, 2017/2018, and 2018/2019, respectively; the majority of these indicators were measures of activities and outputs rather than outcomes. Of the 76 KPIs in 2018/19, the audit team assessed that approximately half of these were directly relevant to strategic objectives, whilst 10 KPIs were not linked to an objective. Of the ODG's 31 objectives, 11 did not have an associated KPI to enable performance or progress to be measured.

85. It is not clear how performance information is used to inform management decisions or for accountability. Some performance reports were missing for earlier years (e.g., performance reports for the fiscal year 2016/2017) and quarterly reports did not consistently report performance for all Departments. It is not clear how the quarterly performance reports are used for oversight or management of the ODG. The ODG Management Team (the DG & 5 HODs) meets monthly, but, for the years that we reviewed, there were no Minutes of meetings; thus, we found no record of decisions taken and, therefore, a lack of transparency and accountability. Only following the period of our fieldwork did we receive from the HRMU recent evidence of minutes of Management Meetings that were held during fiscal year 2019/2020.

86. The ODG has recognised that it has capability gaps, but has struggled to fill them. The ODG reviews staffing requirements as part of the annual budgeting process. However, it is not clear how the ODG determines the number and the type of posts needed. Over the last 3 years, the ODG has operated well below the number of established posts: i.e., [a] 65 filled posts versus the 75 available posts in fiscal year 2016/2017; [b] 62 filled posts versus 69 available posts in fiscal year 2017/2018; and [c] 59 filled posts versus 70 available posts in fiscal year 2018/2019. This is one of the factors that contributed to low performance against targets. It also reflects the long-term trend of significant and rising rates of vacancies (from 10% in fiscal year 2016/2017 to 13% in fiscal year 2018/2019) across the public service, with implications for efficiency, for effectiveness, and for value for money.

87. The ODG uses the Technical Co-operation (TC) Programme to fill critical and hard-to-fill posts, but improvements are needed in the process for appointment and management of TC posts. The TC programme is used to acquire the skills needed to address local skills gaps and to recruit internationally for posts that are difficult to fill. The ODG manages the TC programme on the behalf of the entire GOM. However, there is a high rate of vacant posts in the TC programme, exceeding 45% in each of the periods that we reviewed. Hence, annual underspending of 39% (2016/2017), 37% (2017/2018), and 13% (2018/2019), respectively, meant that actual spending on recruitment of TC employees across the GOM accounted for only 61%, 63% and 87% respectively (or an average of less than 70%) of the budgeted amounts for the TC Programme in the fiscal years 2016/2017, 2017/2018, and 2018/2019. The process for the TC programme is specified by DFID in the TC booklet, but this was not always followed. For example, business cases should be prepared to justify each TC-employee post, but only 2 of the 12 TC-employee posts that we sampled had a business-case; and the business-cases that we tested did not meet all of the criteria specified for business-cases. We also found that there was a lack of clear skills transfer, which is a requirement of the TC programme, as this was not stipulated in contracts, in business-cases, and/or in advertisements of vacant posts. Some posts also had no local understudies assigned to them.

88. The ODG has identified that improved workplaces are needed to support the GOM's employees in delivering better service to the public, but, without funding support, little progress has been made. Independent consultancies procured by the ODG in recent years have concluded that 80% of public buildings require significant upgrades to meet standards and users' needs. There is also a clear understanding of the offices and other assets needed across the GOM. Significant investment (estimated at EC$53 million over 10 years)

is needed to eradicate the backlog of building maintenance and upgrades required. Funding has been requested from the DFID for this purpose.

89. Implementation of an H.R. Information System (HRIS) is in progress. Most systems are currently paper-based. In November, 2018, the HRMU appointed a Project Manager to begin the process of implementing a new HR Information System (HRIS) to convert all personnel-related forms, files, and records to electronic form. This is a 3-year project and Phase 1 was rolled out during 2019. Some modules have not started; some are behind schedule.

90. The ODG has good oversight of available budget and annual spending. However, there remain a few large amounts overspent and underspent across different activities, and the ODG must manage these variances better. The ODG reviews its budget needs on an annual basis. Financial performance for the ODG has varied widely over the last 3 years: it spent (a) $30.4 million (94%) of the approved budget of $32.4 million in fiscal year 2016/2017, (b) $27.3 million (92%) of the approved budget of $29.7 million in fiscal year 2017/2018, and (c) $28.8 million (98%) of the approved budget of $29.3 million in fiscal year 2018/2019. Whilst the 2% net underspending in 2018/2019 was an improvement over prior years, there remained areas of large underspending within some Departments. For example, significant numbers of unfilled posts within the ODG and its related Departments, and across the public service, explained much of the under-spending each year. E.g., a very high vacancy-rate (over 45%) in the TC-employee posts explained a large part of the HRMU's underspending each year.

Key Recommendations

91. Reduce the number of vacancies. Given the impact of vacancies (both their number and their duration) on delivery of public services, the ODG and the HRMU should continue to identify and to resolve the main reasons for vacancies, including factors such as prolonged recruitment cycles, the terms and conditions of offers/contracts, and the turnover of employees.

92. Prioritise building maintenance and upgrades. To achieve the SDP Goals #1 & #4, maintenance and upgrades to public offices and other buildings are essential. This supports both [1] the health and safety of public servants, and [2] the infrastructure for high standards of service to the public. This requires [a] ranking the items in backlog by urgency and importance, and [b] then progressing in phases over the next 3 to 5 years with appropriate funding support. Wherever underspending occurs in other areas within each fiscal year, some budgeted funds can also be temporarily redirected to support and to accelerate this important effort further. The

newly enacted public health measures against the worsening global COVID-19 pandemic have made the recommended repairs and upgrades all the more urgent to implement.

93. Strengthen Departments' strategic planning and measurement of performance. The ODG should ensure that all aspects of its Departments' strategic plans and budgets clearly relate to the Policy Agenda. For example, [a] each objective should have clear, appropriate, and measurable KPIs, [b] each reported KPI should support achievement of at least one identified part of the Policy Agenda, and [c] each KPI should be included in the quarterly reports.

94. Strengthen the oversight of the TC programme. The ODG should ensure that the approved processes are consistently followed, including [a] business cases for new posts, [b] the obtaining and the documenting of the Cabinet's approval, and [c] providing more support within Departments for the transfer of knowledge and of skills from TC employees to their understudies and co-workers. This will achieve greater building of local capacity so that the benefits of the Programme to the ODG, and, by extension, across the GOM, will be sustained for the long term.

95. Strengthen Departments' record-keeping and reporting. The ODG should ensure that records are preserved in a secure and robust I.T. infrastructure, addressing such issues as [a] reliance on manual processes and paper, [b] the loss of historical data, documents, and reports (e.g., quarterly reports missing for fiscal year 2016/2017), [c] maintaining of data integrity for business continuity, and [d] safeguarding of documents to facilitate effective succession-planning, including ensuring that persons appointed to posts, or acting temporarily, can easily locate necessary information from predecessors, while leaving a clear trail for those coming after them to follow.

Audit Conclusion

96. Overall, the ODG has clear objectives linked to the Policy Agenda and the SDP. However, its current structure is cumbersome and difficult to manage effectively, as it combines several Departments with very different mandates, numbers of employees, sizes of budget, and functions, and as it places oversight both of policies and of related operations under the same structure. Performance per strategic plans has improved gradually, but most of the Key Performance Indicators were not achieved during recent fiscal years (2016/2017 to 2018/2019). A trend of significant net underspending vis-à-vis budgets has persisted, reflecting high vacancy-rates in the TC Programme, parallel to the significant numbers of unfilled posts across the public service. By

contrast, pension-related liabilities have grown rapidly, and payments have exceeded budgeted amounts.

97. Two of the major responsibilities of the Deputy Governor are (a) the oversight of the public service, and (b) the management of the GOM's facilities. However, repairs and maintenance, as well as timely and adequate replacement, of public buildings and other capital assets, have often been delayed over the past several years, and now require high priority, especially in a pandemic environment. In several cases, Departments have reported that they have inadequate accommodation and amenities for their employees and to serve the public well. Over the years, the ODG has also commissioned several external consultancies indicating that most posts and compensation packages in the public service are overdue for review and upgrading. It is important that the key agreed recommendations be implemented as soon as practicable (in phases, if necessary) to address some of the issues leading to significant numbers of vacancies and turnover of staff, both within the ODG and its related Departments, and across the public service that it administers centrally. Finally, given the number of past consultancies procured by the ODG, but with little or no implementation and/or funding following, it is important that future studies be approved only where the commitment to provide the necessary funding for timely implementation of at least some of the key recommendations is also confirmed in advance.

CHAPTER 5: MANAGEMENT RESPONSE

Audit Recommendations & Follow-up Actions
Re: Performance Review of the ODG and Related Departments
September, 2020

Findings	Recommendations	Management Responses	Actions Undertaken To Date (if any) & Responsibility	Dates of Planned Implementation
Policy-links for some objectives were unclear.	Ensure that the objectives for the ODG and for its related Departments are more clearly linked to the Cabinet's Policy Agenda.	ODG has over the years sought to improve on the submission based on the Technical Support received from the Ministry of Finance. This has allowed for the inclusion of the MPA for adequate mapping.	Support from Mr Dana Frey and Mofem since the review has allowed for the updating of the strategic Plan in terms of key strategies, indicators and the mapping to the priority agenda for GoM ODG Senior Management Team	2019/2020 and ongoing
The ODG has a performance-framework for measuring against its objectives.	Ensure that every objective for the ODG and for its related Departments has KPIs and that all KPIs clearly support objectives.	There has been year on year progress on refining and improving KPIs. This has been achieved with technical support from the Ministry of **Finance**	Support from Mr Dana Frey and Mofem since the review has allowed for the updating of the strategic Plan in terms of key strategies, indicators and the mapping to the priority agenda for GoM ODG Senior Management	2019/2020 and going forward

Findings	Recommendations	Management Responses	Actions Undertaken To Date (if any) & Responsibility	Dates of Planned Implementation
			Team	
Many KPIs have not been met. Classification of KPIs needs to be corrected.	**Improve the KPIs.** The ODG should make its KPIs clearer, more measurable, more relevant to objectives, and focused more outcomes.	Improvements have been made over the years and this has been noted and acknowledged in key Strategic Meetings with main Funding Partner. This continues to be a work in progress and after discussion with the Monitoring and Evaluation Unit we are moving in the direction of separating out and reporting quarterly output indicators and reviewing how we define and report on outcome indicators.	ODG continues to work with the specialist consultant, Mr Dana Frey and Mofem and have since this review has commenced the updating of the Strategic Plan in terms of key strategies, indicators and the mapping to the priority agenda for GoM. Work has also begun with the Monitoring and Evaluation Unit to ensure standardise template and completion of the documentation to measure performance. ODG Senior Team	2019/2020 and going forward
Gaps in reporting.	(i) **Improve the reporting of performance**. The ODG should ensure that all of its Departments regularly measure, monitor and report against all of their	Significant improvement of reporting to ensure conformity to GoM Regulations and the standard operating templates revised for implementation.	ODG Quarterly report submitted to the Ministry of Finance in the prescribed format by the 10th of the beginning of the next quarter.	2019/2020 and going forward

Findings	Recommendations	Management Responses	Actions Undertaken To Date (if any) & Responsibility	Dates of Planned Implementation
	objectives and KPIs. The Quarterly Reports, for instance, should be complete and timely.			
	(ii) **Strengthen Departments' record-keeping and reporting capabilities**. (1) Records of all management meetings, key decisions, and actions must be kept. (2) The ODG should further improve the management of its records, and those in all of its related Departments, to achieve benefits such as these: (a) Digitisation of all records, thus reducing the widespread reliance on manual processes, paper-based files and documents, and physical storage; (b) Safekeeping of documents, thus minimizing instances of the loss of, or inability to find/retrieve, historical data, documents, reports (e.g. quarterly reports missing/could not be	The audit reflects a snapshot in time and all of the recommendations made are already being acted upon in one form or the other. It should be noted that the ODG has recently drafted a digital transformation plan which is currently being discussed with Ministers. The aim of this plan is to go beyond merely digitising records but leveraging technology, including the use of cloud based services to transform operations and service delivery, internally and externally.	Meetings have been minuted and shared to the members of the meeting Implementation of the HRIS on behalf of GoM HRsys implementation to ensure the capturing of all incoming and outgoing mails Recording and creation of ODG Quarterly report booklets. Ensuring manual filing Cabinets are kept up-to-date and files easily retrievable. Advancement of the HRMU Manual that gets on protocols for standard operating procedures and	2019/2020 and going forward Utilizing the HRsys since 2016/2017 with some platform changes in 2019/2020 based on lessons learnt. Ongoing since 2019 to present

Findings	Recommendations	Management Responses	Actions Undertaken To Date (if any) & Responsibility	Dates of Planned Implementation
	found for fiscal year 2016/2017; (c) The maintaining of data and reports for business-continuity, audits, & compliance, and (d) The retention of documents to facilitate employees' productivity as well as effective succession planning, including ensuring that persons appointed to posts, or acting temporarily, can easily locate necessary information from predecessors, while leaving a clear trail for those coming after them to follow. (iii) **Seek timely and useful feedback**. The ODG should request that its counterparts, such as MOFEM and the MEU, give adequate feedback to each	This is been encouraged with all Ministries/Department in order to ensure lessons learnt are dealt with to allow for improvement in HR Service delivery.	service standards. Appointment History of all Current Officers (Permanent & Pensionable, Contract, TCO, Special Agreements) digitized in the HRIS. Officer data validation and correction commenced and ongoing. New appointments added to Interim Appointment Database (*transitional*) and loaded into HRIS. EOs within HRMU; HRIS Team and Senior Management HRMU.	

Findings	Recommendations	Management Responses	Actions Undertaken To Date (if any) & Responsibility	Dates of Planned Implementation
	reporting Department.			
Trend of overall underspending versus budget. Major underspending versus the TC Programme's budget. The high vacancy-rate in approved TC-employee posts has resulted in underspending of the TC Budget. Time and resources have also been wasted, owing to the frequent need for the re-advertising of some posts. For the fiscal years 2016/2017, 2017/2018, and 2018/2019, the ODG's biggest area of underspending was in the HRMU, under the budgeted category Head 236: Professional Services & Other, almost all of which related to the TC programme. Hence, the overall underspending exceeded $0.9 million in each of these three years and accumulated to over $6.6 million over these	**Continue to improve planning, budgeting and reporting.** As an example, the ODG's headquarters maintained the same budgeted amount for revenues ($270,000) each of the 3 fiscal years that we reviewed (2016/2017 to 2018/2019) (and, subsequent to our fieldwork, did so again for the fiscal year 2019/2020), but the actuals consistently surpassed this figure, averaging over $350,000 every year, despite economic shocks (e.g., major hurricanes during year 2017). Therefore, the budgeted revenues should be revised in line with the actual trend, and regularly updated for any available more recent information affecting forecasts.	The revenue generated from Consular Services is not a significant contributor to overall Government revenues. Consequently, more emphasis had been placed on improving the actual delivery of the service. Funds place in the Professional line for TC Operations is ring fenced and cannot be used for any others purpose. The recruitment of TC Officers for the various post can take some time and is often subject to variables which are not within our control.. In some instances, we are competing for skills that are in short supply globally, such as legal drafting. In some instances, jobs are advertised and there	Check the trend over the three year period and gage the revenues. Senior Management Team, ODG The recruitment process was reviewed and the outcome was a process that is on track to reduce recruitment time from 120 days to 60 days from advertisement to offer. Senior Team within ODG	On going quarterly and yearly basis as per the established Budget and Financial guidelines. Ongoing from TC implementation to present (2012-2020)

Findings	Recommendations	Management Responses	Actions Undertaken To Date (if any) & Responsibility	Dates of Planned Implementation
three years.		are no applicants and in some situations re-advertising is done to get the best fit candidates for the vacant skills gap.	Main Office ODG Finance Team/Accounting Officer	
The ODG has a trend of significant staffing gaps. The evidence from Nominal Rolls for the fiscal years 2016/2017 to 2018/2019 showed that the rate of vacant posts in the ODG's Departments more than doubled (from 7% to 16%) over the 3 years that we reviewed. Likewise, a relatively high vacancy-rate across the entire Government has persisted over the years, and has worsened 33% in recent years, rising from 97 unfilled posts in fiscal year 2016/2017 to 129 unfilled posts in fiscal year 2018/2019. Concurrently, the number of persons in posts dropped from 887 to 879. This is partly due to [1] continued emigration of native Montserratians (per	**Reduce the number of vacancies.** Given the impact that rising vacancies (both their number and their duration) are likely to have on the delivery of public services, the ODG and the HRMU should continue to identify and to resolve the main reasons for vacancies, including factors such as prolonged recruitment-cycles, the terms and conditions of offers/contracts, and the turnover of employees.	What our analysis has shown is that we need to review how vacancies are reflected as in most instances, there has been a substitute or temporary hire against a "vacant" post. The premise behind recommendation being made to reduce the number of vacancies is questionable as the audit did not provide any evidence to support the identification of or main reasons for vacancies or the impact of existing vacancies. Our analysis also suggests that a more useful piece of work is to review our actual manpower needs. It is also unhelpful to make look	Revised the recruitment protocols to ensure a reduction in the timeline taken from advertisement to offer (120 to 90 days to 60 days to 55 over 5 year period) Encourage the promotion of Officers across the service. Wider advertisements across various Advertising platforms regionally and globally. HRMU Middle Management and Senior Officers; Ministry and Department Heads and others Officers	2019/2020 and on-going

Findings	Recommendations	Management Responses	Actions Undertaken To Date (if any) & Responsibility	Dates of Planned Implementation
the National Census in 2011 and the National Census in 2018), and [2] relatively low remuneration locally versus regional and international scales, as highlighted in [a] our interviews with a broad sample of other departments across the public service, and [b] the OAG's previous study, Absenteeism in the Montserrat Public Service: Prevalence, Causes & Costs (covering data for years 2015 to 2017) (report published in 2018).		at numbers of persons in post (cost) without considering the overall sustainability (ability to pay) of maintaining high staffing levels.		
The ODG has commissioned several consultancies, but, without the needed funding support, few of their recommendations have been implemented.	**Implement the agreed recommendations of consultancies**. To achieve value for money from consultancies that it procured in recent years, the ODG must begin to implement the main agreed recommendations in a timely way. This requires the financial support of the DFID per the ODG's requests for this; accordingly, before procuring any	This recommendation, in its entirety, is not accepted because it does not reflect real world realities. The ODG does not provide or control funding.	Through the GoM budget process, the ODG will continue to make the case for the funding required to implement the recommendations made in various consultancy reports such as the Building Maintenance Report and the Work Force Strategy and	2018 to present

Findings	Recommendations	Management Responses	Actions Undertaken To Date (if any) & Responsibility	Dates of Planned Implementation
	future consultancies or studies, the ODG should ensure that there is a clear commitment, in advance, to provide the necessary funding to support the implementation of at least some of the recommendations. In particular, the ODG should take action on the following initiatives: (a) Provide the specified additional funding needed for maintenance and renovations of public buildings, with special regard to the health and safety of GOM's employees and users of public services, especially in a pandemic environment; (b) Undertake the upgrading of compensation and of several posts across the public service to improve attraction and retention of talent and to reduce the number of job-offers declined by selected candidates; and		Action Plan. ODG Senior Management Team, Mofem and Cabinet	

Findings	Recommendations	Management Responses	Actions Undertaken To Date (if any) & Responsibility	Dates of Planned Implementation
	(c) Implement effective workforce planning and strategic H.R. management These are all in line with supporting the ODG's key roles in [1] management of the GOM's facilities and [2] oversight and development of the public service, while contributing to the Policy Agenda.			
Need to improve the management of the TC Programme.	**The TC Programme requires better management.** The ODG should continue to improve the process accountability and management so that the intended purpose of the programme will be realised and so that it can achieve value for money. The ODG should ensure [a] that the process for the approval of TC employee posts is followed and [b] that there is clear visibility over	It is agreed that the ODG should continue its efforts to ensure that the TC Programme achieves its stated objectives.	Several HR Protocols implemented in order to ensure adequate monitoring, evaluation of Officers under the TC Program. 360 degree evaluation implemented to measure performance along with the PMS already implemented for GoM. Regular meetings with the	2012 to present ongoing

Findings	Recommendations	Management Responses	Actions Undertaken To Date (if any) & Responsibility	Dates of Planned Implementation
	decisions. The ODG should ensure that improved transferring of skills takes place from TC staff to regular staff: i.e., [1] specifying this in their employment contracts, and [2] ensuring that Departments have supporting staff to understudy TC employees to ensure that the transferral of knowledge and skills takes place.		TCs to gage success, challenges, knowledge transfer and also policies, systems and structure development. Revision of TC Protocols in 2018 Senior Management Team, ODG, Ministry/Department Heads.	
Urgent need for maintenance and upgrades of public buildings.	**Prioritise maintenance of the GOM's office buildings**. To maintain a safe, healthy, and productive work-environment for all of the GOM's employees, the ODG should give higher priority to the timely and adequate maintenance and upgrades of buildings and premises across the public sector. In turn, this will improve the conditions in which the public receives services. This was already identified as an urgent issue in previous years and, now, it is especially important in an environment of	The prioritisation of maintenance of GoMs office buildings has been done and this was done for all of the reasons cited. However, implementation has suffered due to the unavailability of funding.	Building Maintenance and accommodation Strategy (Alpha Consultancy Report) Tabled and GoM has submitted the Priority Recommendations to DFID but not approval granted for this initiative to start. This remains a standing Agenda item in Fam discussions. Building and Facilities	2018 to present. Routine maintenance on going utilising the limited funds in the recent budget.

Findings	Recommendations	Management Responses	Actions Undertaken To Date (if any) & Responsibility	Dates of Planned Implementation
	heightened public-health risks and protocols amidst the worsening COVID-19 global pandemic, which arrived in Montserrat in March, 2020, resulting in 12 confirmed cases and 1 death to date (as of August, 2020) (Ministry of Health's reported data).		manager; Mofem, ODG Team and Ministries/Department Heads	

Findings	Recommendations	Management Responses	Actions Undertaken To Date (if any) & Responsibility	Dates of Planned Implementation
The implementation of the HRIS is making progress, but several modules are incomplete and/or are well behind schedule.	**Review the implementation of the H.R. Information System (HRIS).** While continuing to support the modules that are on track, the ODG should perform a comprehensive review of the implementation of the HRIS across the public service to date, including the following steps: (a) Review, reassess, and reschedule those modules and features that are behind schedule and/or have not yet been activated; (b) Identify and address the causes for delays; (c) Reach out to employees who have not yet logged into the system; (d) Prioritise training and support for aspects such as these: [1] Areas with a high	The HRIS is not to be confused with the HRsys and other HR information systems previously started and halted for one reason or another. All of these recommendations are already being done as part of the ongoing HRIS implementation plan.	Officer Data Validation module developed and implemented. InSync HRMU Suite (including all core modules) developed and script testing completed. Training with Junior Officers conducted prior to usage. Development of InSync Job Application Management System and InSync Intranet commenced and ongoing. HRIS Team; HRMU Middle and Senior Management Team; Officers within Ministries/Department.	2019 to present

Findings	Recommendations	Management Responses	Actions Undertaken To Date (if any) & Responsibility	Dates of Planned Implementation
	percentage of errors, [2] Areas with gaps in data, and/or [3] Areas of non-participation by employees to date.			

The Honourable Deputy Governor
Office of the Deputy Governor
October 2020

APPENDIX 1:

OFFICE OF THE AUDITOR GENERAL

Functions

By the authority 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."

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 O.A.G. 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 O.A.G. 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. Efficiency is measured as the ratio of inputs per given or desired unit of output. The performance-goal is to **minimise inputs and/or input-costs per unit of output**.

Productivity. Productivity is measured as the ratio of actual units of output per given unit of each input. The performance-goal is to **maximise output per unit of each input**.

Effectiveness. Effectiveness is measured as the ratio of actual units/costs of all outputs to the desired units/costs of output. The performance-goal is to **minimise gaps between desired output(s) and actual output(s)**, subject to the desired quality of that output.

Value for money. This is the *desired surplus 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 and to enjoy the benefits of that unit of output. The performance-goal is to **maximise 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. **Learning, for instance, is measured by improved behaviours**.

Performance audits. Performance-audits 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 well 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

Background

This performance audit focused on (1) the governance and processes of the ODG's Departments for acquiring and using human resources and other assets, (2) the GOM's policy framework for strategic planning and budgeting, and (3) the Departments' efficiency, effectiveness, and accountability in their use of resources. These connected dimensions have implications (a) for governance, (b) for departmental effectiveness and efficiency, and (c) for the quality of outputs, of outcomes, and of the delivery of services to the public. In turn, the number and the quality of the ODG's operations impact every public employee and, in turn, public services affect the entire economy and society of Montserrat. This is important, since in the post-1995 era, the central GOM and the wider public sector constitute about 75% of GDP and roughly 65% of full-time employment in the national economy, and they have numerous multiplier effects.

Objectives of the Audit

Purpose and mandate. The audit sought to examine risks to value for money within the ODG, including the level of governance and the quality of the processes of planning, budgeting, and use of people and assets. We considered (a) the quality of internal records, monitoring, and reporting, (b) the related management of human and other resources, (c) interviewees' reported issues, limitations, and challenges and their causes, and (d) their impact on the efficiency and effectiveness of participating Departments. Finally, the study aimed to assess the use of resources in relation to major policies and strategic plans, including [1] the GOM's Policy Agenda, and [2] the Montserrat Sustainable Development Plan (SDP) 2008 to 2020. In particular, we sought to identify the major planning challenges, budgeting deficiencies, and operational issues facing the ODG and relevant Departments, and, hence, opportunities and recommendations for improving their outputs and outcomes for all stakeholders.

Key questions. This study was requested by the DFID to provide assurance about the efficiency and the effectiveness of the GOM's spending. This audit sought to examine risks to value for money within the ODG, including the level of governance, the quality of the processes of planning and budgeting, the use of people and assets, and overall performance. The overall objective of the audit was to assess whether the ODG is performing in a way that is likely to maximise value for money. To answer this overarching question, we considered 4 issues:

[a] Are the objectives of the ODG clear?

[b] Does the ODG have the governance and organisational structures in place to deliver its objectives?

[c] Has the ODG applied good practices in the use of its resources to meet its objectives?

[d] How is the ODG performing against its objectives/metrics?

Criteria used.

Criteria used for assessing the ODG's strategic objectives in this audit were:

(1) Are there clear, stated objectives that are aligned to the overall strategy?

(2) Are there plans detailing how the objectives will be met?

(3) Are the related KPIs/metrics defined and explained?

Criteria used for assessing the ODG's key performance indicators (KPIs) in this audit were:

(1) Are KPIs clearly stated?

(2) Are KPIs correctly classified?

(3) Are KPIs appropriate?

(4) Are KPIs measurable and effective?

Criteria used for assessing the use of information in this audit were:

(1) Is there a clearly defined system of accountability?

(2) Are Departments regularly reporting their progress against budgets and strategic plans?

(3) Do reportees give appropriate and timely feedback to reporters?

(4) Is there evidence of an effective feedback-loop whereby measuring, reporting and monitoring of progress (or lack of it) results in timely actions and better decision-making?

The criteria for assessing the business-cases for recruitment of employees in the Technical Cooperation programme included the following:

(i) The rationales are stated and explained for the technical cooperation required,

(ii) Estimates are given of the timeframes and the actions to be taken to source the assistance, and

(iii) A description is provided for the development of capacity and for the transition plans that will enable local officers to fill the positions, once the long-term technical cooperation officer has completed his/her engagement.

Scope of the Performance Audit

The scope of this performance audit was to examine the status and the past 3 years' trends of planning, budgeting, and use of resources within ODG and its role in managing the public service. We included all Ministries and several GOM departments in our interviews of stakeholders in order to assess the perspectives and the experiences of stakeholders regarding the ODG's Departments vis-à-vis their mandate, structure, efficiency, quality of outputs, communication, quality of service, and overall performance. Financial and other data-analyses focused mostly on the past 3 years (i.e., fiscal years 2016/2017 to 2018/2019). Where we received information subsequent to our fieldwork, more recent updates are provided in some parts of the report. Note: In this report, in line with the GOM's overall budget, data are included for those parts of the budget and the spending of the Governor's Office that are provided through, and managed by, the ODG; however, we did not audit the Governor's Office itself within this study.

Scale of the Performance Audit

The scale of this performance audit included [a] the ODG's headquarters, [b] the DMCA, [c] the Montserrat Prison Department (MPD), [d] the HRMU, and [e] the Royal Montserrat Defence Force (RMDF). In the evidence that we received during our audit, some data for the Governor's Office were included, as they are a part of the ODG's overall budget under Vote #12 of the GOM's consolidated budget; however, we did not audit the Governor's Office itself in this study.

What We Excluded from this Audit

We excluded data preceding those of the year 2016, except for background knowledge and local context. We excluded comparative analyses and other cross country reviews. We also largely excluded regional and international 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 and capital budgets will need to address these areas in order (i) to reach optimal human-resources management (e.g., adequate levels of staffing, more effective recruitment, competitive compensation, and long-term retention of talent), including major areas such as projects, energy, governance, environmental safety, and sustainable development, (ii) to embed a culture of effective financial management and public accountability, and (iii) to exceed comparative Caribbean standards and global best practices, as Montserrat competes with other countries for talent, for funding, and for investments.

Why We Performed This Audit

Accountability to external donors. In Montserrat, the public sector is largely funded by the UK Government through its Department for International Development (DFID). Therefore, those providing aid have requested a series of performance reviews to provide greater assurance about public planning, budgeting, and implementation, including the efficient and effective use of people and other assets, all of which directly affect both the public sector and the private sector.

Quality of Public Services. Since most of the island's employment is within the public sector, any deficiencies in levels of staffing and in public servants' performance affect the entire country, including the sustained development of businesses and job creation in the private sector. All citizens and residents interact with the public service directly and indirectly, and they depend on the efficient, reliable, and effective provision of public services, utilities, capital assets, and infrastructure. In recent years, large amounts of the GOM's budgeted capital spending did not occur when it was planned, recruitment was often slow, and implementation of projects was delayed, thus slowing national development and economic growth.

Governance & Investment. Over 60% of the GOM's recurrent spending and about 90% of its capital spending are funded [1] by external aid from the UK Government and [2] by grants from multilateral institutions. Hence, the MPS faces increasing scrutiny and accountability [a] for the management of public funds, [b] for the execution of strategic plans, and [c] for the delivery of programmes, of projects, and of outputs. The ODG, in particular, oversees the management of the entire public service (over 1,000 posts) and represents large sums of public funds. Therefore, the ODG's departments require adequate planning, budgeting, repairs, maintenance, recruitment, and deployment to maintain [i] safe work-environments and high levels of performance among public servants and [ii] high levels of service to the public.

How We Performed This Audit

Interviews & site-visits. Initially, we engaged in interviews with senior public-sector officials across the ODG's departments, including site-visits to see the premises that they use. The list of interviewees is provided at the end of this Appendix. With the guidance provided by these meetings and inspections, we proceeded to devise questionnaires and data gathering techniques suitable for the purpose of assessing (i) the governance of the ODG's strategic planning and budgeting, (ii) the efficiency and the effectiveness of data gathering, reporting, human resources, and interdepartmental communication and co-operation related to the use of resources, and (iii) the recent trends, outputs, and outcomes of their uses of resources.

Reviews of relevant law, regulations and literature. Before and during our fieldwork, we researched the GOM's policies, laws, and regulations in order to establish the legislative framework for our performance audit. The programme of research also included literature on such relevant subjects as (a) governance, (b) strategic planning and national budgeting, (c) public sector efficiency and effectiveness, (d) monitoring and implementation, including project management and capital assets, and (f) performance benchmarks and standards of service. These sources supplemented our reviews of various internal and external documents related to the GOM's policies, structures, and operations affecting the issues of public planning, budgeting, procurement, and deployment of capital assets.

Internal & External Evidence. Various requests for information were made during August, 2019, to October, 2019. Owing to several very late responses, and since most documents were provided to us in hard copy rather than in requested electronic formats, the fieldwork extended well into January, 2020. Emphasis was placed on factors affecting the Departments' governance, planning, budgets, implementation, asset management, efficiency, and performance. In particular, we sought to know (a) whether there were adequate staffing, skills and other resources during the past few years, (b) issues affecting the Departments' processes, progress, and outputs, (c) the quality of reporting, communication, and co-operation among the stakeholders, and (d) recommendations/opportunities for improvements.

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 appropriate evidence to reach a reasonable conclusion about the performance of the entities/areas studied with regard to [a] their governance and [b] their management during the period under review. The international standards used to perform this audit-engagement and to assess the findings of this audit include ISSAI 100, ISSAI 3000, and GUID 3910.

Questionnaire for Interviewees

Correspondents & Interviewees

(1) Honourable Deputy Governor

(2) Acting Director of ODG

(3) Senior Assistant Secretary, ODG

(4) Senior Clerical Officer, Consular Division, ODG

(5) Executive Officer, Consular Services, ODG

(6) Executive Officer/Personal Assistant to DG

(7) Chief Human Resources Officer, HRMU (also the Accounting Officer for the ODG and its related Departments)

(8) Superintendent, Montserrat Prison Department

(9) Procurement Officer, MOFEM

(10) Chief Statistician, Statistics Department

(11) Deputy Accountant General, Treasury Department

(12) Accounting Technician, Treasury Department

(13) Director of Education, MOEYAS

(14) Assistant Secretary, MOEYAS

(15) Executive Officer, MOEYAS

(16) Education Officer/Planner, MOEYAS

(17) Principal of Montserrat Secondary School

(18) Director of Agriculture, MATHLE

(19) Senior Assistant Secretary, MATHLE

(20) Director of Secondary Care, MOHSS

(21) Director of Nursing Services, MOHSS

(22) Director of Social Services, MOHSS

(23) Senior Social Worker, MOHSS

(24) Director of D.M.C.A.

(25) Commanding Officer, Royal Montserrat Defence Force

(26) Permanent Secretary, MCWEL

(27) Director of Administration, MCWEL

APPENDIX 5: GOM'S POLICY AGENDAS

SAMPLE #1: YEAR 2017

Government of Montserrat Policy Agenda 2016/17 – 2018/19 and Priority Ranking from Cabinet Workshop on July 7th, 2017, and Follow-on Survey, All Responses

Goal 1: Prudent Economic Management	**Cabinet Votes**	**Priority**
1.1 To change the development focus from post-volcano mode to developing and implementing plans focused on sustainable self-sufficiency that capture the spirit of Montserrat's past and preserve Montserrat's culture including enhancing relationships within the region and with key development partners.	2	6
1.2 Priority sectors for generating foreign direct investment identified including those that leverage Montserrat's unique assets and character and implement appropriate sector strategies.	1	7
1.3 Identification of obstacles to doing business and sequenced plans implemented for their removal and mitigation.		8
1.4 Priority infrastructure for generating economic growth identified and plans put in place to deliver.	8	1
1.5 Local resources unlocked to stimulate growth in domestic business.	6	2
1.6 The diaspora and the expatriate community engaged in national development.		8
Goal 2: Enhanced Human Development		
2.1 Increased access to essential medical services through leveraging technology as well as direct service provision.	5	3
2.2 Increased and expanded health promotion services to reduce public health concerns, to reduce the incidence and effect of non-communicable diseases, to improve the care of the elderly and including a focus on vector-borne diseases.		8
2.3 Strengthened community-based treatment programs for vulnerable groups of society.	1	7
2.4 Education provision improved to raise educational outcomes to be regionally and internationally competitive and equip people for sustainable livelihoods.	5	3

2.5 An equitable social protection framework which transitions those able to work back into the labour market while adequately supporting those unable to work.	1	7
2.6 Improved access to affordable housing for low and middle income residents.	4	4
2.7 Increased social housing stock supported by an equitable allocation policy.	5	3
2.8 Enhanced youth development through national programs including sports.	5	3
2.9 Increased protection of our children and vulnerable youth.	2	6
2.10 Montserrat strives to promote gender equality, equity and social justice to improve the quality of life for all its citizens.	3	5
Goal 3: Sustainable Environmental Management and Appropriate Disaster Management Practices		
3.1 Improved legislation, governance framework, capacity, scientific monitoring and outreach to sustainably manage environmental resources (terrestrial and marine) and make the island a centre of excellence in environmental and volcanic research.		8
3.2 Increased focus on mitigating disasters in addition to strengthening preparedness and emergency response.	1	7
3.3 Physical infrastructure, including housing, designed and built for resilience against disasters and climate change conditions.		8
Goal 4: Good Governance		
4.1 Strengthened transparency, accountability and public engagement within the national Governance Framework.	1	7
4.2 Public Service reformed to improve efficiency and effectiveness in the provision of essential public services.	8	1
4.3 Montserrat's reputation preserved as a just, safe and secure place to live and visit.	3	5
Goal 5: Increased Population		
5.1 Rebuilt communities which embrace diversity and enable population growth to develop a sustainable Montserrat.		8
5.2 Essential skills attracted and retained through immigration management and training.		8

SAMPLE #2: YEAR 2019

DRAFT Government of Montserrat Policy Agenda 2019/20 – 2021/22

Agenda Item	Rank
1.7 Advance strategic actions for strengthening accessibility to the island (to include infrastructure considerations)	1st
2.1 Increased access to essential and specialised medical services through leveraging technology as well as direct service provision.	1st
2.8 Enhanced youth development through national programs including sports.	2nd
1.1 Advance the development focus from recovery mode to developing and implementing plans focused on sustainable self-sufficiency [that capture the spirit of Montserrat's past and preserve Montserrat's culture]	3rd
1.5 Operationalisation of plans to deliver priority infrastructure for generating economic growth	3rd
2.4 Education provision improved to raise educational outcomes to be regionally and internationally competitive and equip people for sustainable livelihoods.	3rd
3.3 Physical infrastructure, in particular housing and communication technology, designed and built for resilience against disasters and climate change conditions.	3rd
4.2 Public Service reformed through institutional strengthening (processes, tools, legal framework, procedures, policies) to improve efficiency and effectiveness in the provision of ALL public services.	3rd
1.4 Develop strategies for addressing obstacles to doing business and implement sequenced plans for the removal and mitigation of these obstacles.	4th
1.6 Sectoral resources unlocked for business development, investment promotion and trade facilitation aimed at stimulating economic growth.	4th
2.2 Increased and expanded health promotion services to reduce public health concerns, to reduce the incidence and effect of non-communicable diseases, to improve the care of the elderly and including a focus on vector-borne diseases	4th
2.5 An equitable social protection framework which transitions those able to work back into the labour market while adequately supporting those unable to work.	4th
2.6 Improved access to affordable housing for low and middle income residents.	4th
2.10 Promotion of gender equality, equity and social justice to improve the quality of life for all its citizens.	4th
3.1 Improved legislation, governance framework, capacity, scientific monitoring and outreach to sustainably manage environmental resources (terrestrial and marine) and make the island a centre of excellence in environmental and volcanic research.	4th
3.2 Increased focus on mitigating disasters in addition to strengthening preparedness and emergency response.	4th
4.1 Strengthened transparency, accountability and public engagement within the national governance framework.	4th
1.2 Develop stronger strategic relationships within the region and with key development partners.	5th
1.3 Develop and implement appropriate sector strategies for priority sectors aimed at generating foreign direct investment to leverage Montserrat's unique assets and character.	5th
1.8 Incorporation of the 'Innovation for Development' concept into sector development strategies	5th
1.9 Enhance the national capacity building programme and policy to address sectoral needs	5th
1.10 The diaspora and the expatriate community engaged in national development.	5th
2.3 Strengthened community-based treatment programs for vulnerable groups of society.	5th
2.7 Increased social housing stock supported by an equitable allocation policy.	5th
2.9 Increased protection of our children and vulnerable youth.	5th
4.3 Montserrat's reputation preserved as a just, safe and secure place to live and visit.	5th

5.1 Development and implementation of social cohesion initiatives which embrace diversity and enable population growth.	5th
5.2 Skills gaps reduced through attraction and retention of appropriate persons through immigration management and diaspora outreach	5th

APPENDIX 6: THE ODG'S OBJECTIVES

Table 2: ODG central: Programme 120: Key Strategies for Fiscal Year 2016/2017		
Number	**Objective**	**Policy Agenda Objective**
1	Implement recommendations of the functional review conducted in FY2015/16 which will ensure the ODG Corporate is well resourced and well managed to contribute to effective and efficient service delivery.	4
2	Promote efficiency and reform across the Public Service (system-wide and agency-specific) through the continued implementation of the Public Service Reform (PSR) programme.	4
3	Strengthen Policy and implement legislation for the administration and management of the Public Service (PSR).	4
4	Create a safe, exciting, innovative and enabling physical working environment through the design of a comprehensive Buildings and Asset Management Strategy.	3.3, 4
5	Build a 'Whole of Government' Accountability Framework that delivers a Public Service that is non-partisan, results driven, policy based, fiscally fit and transparent.	4
6	Design, develop and implement key consular services to safeguard National Security and Public Interests against the risks of Nationality and Identity Fraud and unsustainable Government Liability.	1.6, 4, 5.2
7	Develop a Pension Policy & Strategy that ensures public servants have adequate pension provision to safeguard against unsustainable government liability.	2.5, 4
8	Improve focus on core service delivery and private sector development by outsourcing non-core services and supporting the development of the entity to effectively deliver those services.	1.3, 1.5
9	Implement the new Emergency Passport system and continue to embed the new full-validity electronic BPTC passport system.	none

Table 3: HRMU: Programme 121: Human Resources: Key Strategies for Fiscal Years 2016/2017 to 2018/2019.

Number	Objectives for Fiscal Year 2016/2017	Policy Agenda Objective
1	To improve the performance of the HRMU Team to deliver on its core functions thus addressing issues of employee engagement and meet current & future needs of the Public Service.	4.1, 4.2
2	Review/update/revise the policy framework to deliver improved HR services through the implementation of the following key strategies: recruitment; retention and reward; grievance and discipline; sick leave; succession planning; probation.	4.1, 4.2
3	Create a culture of learning and development by providing targeted training support and scholarships awards to ensure that he Public Services has a professional, high performing public officers with the skills and competencies to drive Government's policy and legislative agenda.	4.1, 4.2
4	Implement the Public Administration Regulations through the development of an HR Manual of Procedures to improve the transparency fairness and accountability	4.1
5	Maintain an accurate and user-friendly HRIS to improve data-management and to support the development of evidence-based HR policies and strategies.	4.2
Number	**Additional objectives for 2017/2018 and 2018/2019**	**Policy Agenda Objective**
6	To improve the performance of the HRMU Team to deliver on its core functions thus addressing issues of employee engagement and meet current & future needs of the Public Service.	4.1, 4.2
7	Improve employee and customer satisfaction through the implementation of an equitable reward and recognition system.	None
8	Validate customer expectations through the review and development of service standards.	None

Table 4: Prison Department: Programme 121: Key Strategies for 2016/2017.

Number	Objective	Policy Agenda Objective
1	Reduce the repeat offenders by developing and implementing a comprehensive sentence plan.	None
2	Develop a comprehensive behavioural modification programme to assist/accommodate the rehabilitation of prisoners.	None
3	Improve the physical structure of Her Majesty's prison to enhance and maintain safe and secure custody.	None
4	Recruit and equip staff to deliver high quality custodial services.	None

Table 5: DMCA: Programme 124: Key Strategies for Fiscal Year 2016/2017.

Number	Objective	Policy Agenda Objective
1	Improve the capacity of the DMCA to lead the coordination of disaster management core functions and strategies through enhancing a multi-agency approach which integrates comprehensive Disaster Management policy and practice into the mainstream of government and community activities	None
2	Enhance early warning system to deliver timely alerts to the general public thereby improving preparedness and mitigation	None
3	Coordinate and facilitate community hazard and vulnerability assessment and update hazard maps to enhance efforts to mitigate disasters	3.2
4	Improve operational capacity for main (first) responders to better support lives and livelihoods in the response phase	3.2

5	Improve the conditions of emergency shelters to ensure that are more accessible to the vulnerable and resilient in disasters	3.3
6	Implement the findings of the functional review of the Disaster Management Agency to enhance its capacity to deliver on its mandate	None

APPENDIX 7: THE ODG'S KEY PERFORMANCE INDICATORS

Table 6: ODG central: Programme 120: Key Strategies for Fiscal Year 2016/2017: Key performance indicators

No.	Key performance indicators Fiscal Year 2016/2017	Auditors' review: attempt to match KPIs with objectives	KPI for 2016/ 2017	KPI for 2017/ 2018	KPI for 2018/ 2019	Auditors' Assessment
1	Number of recommendations implemented from functional review	1	✔	No	No	Links clearly to an objective
2	Number of Policies, Strategies and Legislation developed	2,3	✔	No	No	Unclear
3	Number of Public Awareness Consular activities	?	✔	No	No	Unclear
4	Contract with Montserrat Cleaning Coop signed	4	✔	✔	✔	Unclear
5	Accountability Framework developed	?	✔	No	No	Unclear
6	Number of pension calculation requests	7	✔	No	No	Does not directly support an objective
7	Number of Residency & Nationality Applications received	6	✔	No	No	Does not directly support an objective
8	System-wide and agency-specific issues identified	?	✔	No	No	Unclear
9	Routine maintenance-schedules implemented	4	✔	No	No	Links clearly to an objective
10	Backlog building maintenance eliminated	4	✔	No	No	Links clearly to an objective
11	ODG established as corporate office	1	✔	No	No	Unclear

12	Applicants and the Public more knowledgeable and satisfied with consular Affairs	6	✔	No	No	Does not directly support an objective
13	System-wide and agency specified issues addressed	?	✔	No	No	Unclear
14	Cleaning contract managed effectively	4	✔	No	No	Does not directly support an objective
15	Pension benefits paid on time	7	✔	No	No	Links clearly to an objective
16	Residency & Nationality Applications processed within 6 months	6	✔	No	No	Links partly to an objective
17	Policies, strategy and Legislations implemented	3	✔	No	No	Unclear
18	Regulations developed to implement the Public Administration Act 2014 (NEW)	3	No	✔	✔	Links to an objective
19	HR Procedures Guide/Manual completed to support/comply with Public Administration Legislation. (NEW)	3	No	✔	✔	Links to an objective
20	Community outreach & engagement developed through radio, community based workshops and online (NEW)	?	No	✔	✔	Unclear
21	GOM maintenance strategy developed (NEW)	4	No	✔	✔	Links to an objective
22	Annual buildings maintenance plan developed to support Maintenance Strategy (NEW)	4	No	✔	✔	Links to an objective
23	Buildings maintenance SLA agreed and signed (NEW)	4	No	✔	✔	Links to an objective

24	Achieve customer satisfaction rating of at least 95% in Consular Services (REWORDED)	6	No	✔	✔	Partly links to an objective
25	Improve efficiency in the Administration and Payment of Pension Benefits (REWORDED)	7	No	✔	✔	Partly links to an objective
26	Straightforward Residence & Nationality Applications processed within target (3 months) (REWORDED)	6	No	✔	✔	Partly links to an objective
27	Where additional information required from customers, 90% of applications processed within 6 months (REWORDED)	6	No	✔	✔	Partly links to an objective
27	Number of HR Reform thematic areas addressed under the EEP (Recruitment & Retention, Learning and Development, Performance Management, HR Legislation & Guiding Principles, Orientation and Induction etc.)	unclear	No	No	✔	

Table 7: HRMU: Programme 121: Human Resources: Key Strategies for Fiscal Year 2016/2017: Key performance indicators

No.	Key performance indicators Fiscal Year 2016/2017	Auditors' review: attempt to match KPIs with objectives	KPI for 2016/ 2017	KPI for 2017/ 2018	KPI for 2018/ 2019	Auditors' Assessment
1	Average turnaround time for external recruitments	1,2	✔	✔	✔	Links clearly to objective
2	Number of local in-service training sessions held	3	✔	✔	✔	Partly links to an objective
3	Number of scholarships awarded	3	✔	✔	✔	Partly links to an objective

4	Number of policies reviewed and updated annually	2	✔	✔	✔	Partly links to an objective
5	Fit for purpose, functional and user friendly HRIS in place	5	✔	no	no	Links clearly to objective
6	Succession Planning: Time taken to fill key positions via Internal Transfers or promotions	1,2,	✔	✔	✔	Links clearly to objective
7	Number of new recruits per annum	1,2	✔	✔	✔	Partly links to an objective
8	Proportion of external recruitments completed within the 90-day turn-around time	1,2	✔	✔	✔	Links clearly to objective
9	Number of scholarship recipients gainfully employed in Montserrat after completing studies	unclear	✔	✔	✔	Does not link to objective
10	% of HRIS system operational	5	✔	✔	✔	Partly links to objective
11	% of new recruits meeting the minimum job requirements	1	✔		✔	Links clearly to objective
12	Added 2017/18: Revised and updated Human Resource Management and Practices.	unclear (All)		✔	✔	Unclear to which Objective this refers
13	Added 2017/18: Improve the delivery of Services/activities needed to achieve Montserrat's social and economic development goals through capacity building programs of the Public Officers.	1, 3		✔	no	Partly links to objective

APPENDIX 8: THE ODG'S BUDGETS VERSUS ACTUALS

Table: Summary of the ODG's Departments' Total Revenues & Spending: Budgeted versus Actual during Fiscal Year 2016/2017

	Fiscal Year 2016/2017		
	Approved Budget	**Actual Revenue / Spending**	**Variance - Overspent / (Underspent)**
120 - Office of the Deputy Governor			
Revenue (Naturalisation Fees)	270,000	374,200	104,200
Salaries, Goods & Services	14,830,400	14,740,143	(90,257)
121 - Human Resources Management Unit			
Revenue	-	-	-
Salaries and Good & Services	8,597,300	6,848,073	(1,749,227)
122 - Her Majesty's Prison			
Revenue	-	-	-
Salaries and Good & Services	1,179,500	1,169,220	(10,280)
123 - Royal Montserrat Defence Force			
Revenue (Fees)	1,100	-	(1,100)
Salaries and Good & Services	146,200	144,345	(1,855)
124 - Disaster Management Co-ordination Agency			
Revenue	-	-	-
Salaries and Good & Services	7,307,700	7,173,635	(134,065)
125 - Governor's Office			
Revenue	-	-	-
Salaries and Good & Services	323,500	310,737	(12,763)
Revenue - Total Budget	**271,100**		
Revenue - Total Actual		**374,200**	
Revenue - Total variance over/(under)			**103,100**
Expenditure - Total Budget	**32,384,600**		
Expenditure - Total Actual		**30,386,153**	
Expenditure - Total Variance (over)/under			**1,998,447**

Overall outcome:

Actual Expenditure versus Budget **94%** **6% underspent**

Table: Summary of the ODG's Departments' Total Revenues & Spending: Budgeted versus Actual during Fiscal Year 2017/2018

	Fiscal Year 2017/2018		
	Approved Budget	**Actual Revenue / Spending**	**Variance - Overspent / (Underspent)**
120 - Office of the Deputy Governor			
Revenue (Naturalisation Fees)	270,000	361,430	91,430
Salaries, Goods & Services	15,024,700	14,790,654	(234,046)
121 - Human Resources Management Unit			
Revenue	-	-	-
Salaries, Goods & Services	11,624,000	9,676,273	(1,947,727)
122 - Her Majesty's Prison			
Revenue	-	-	-
Salaries, Goods & Services	1,251,600	1,173,098	(78,502)
123 - Royal Montserrat Defence Force			
Revenue (Fees)	1,100	-	(1,100)
Salaries, Goods & Services	98,500	97,504	(996)
124 - Disaster Management Co-ordination Agency			
Revenue	-	-	-
Salaries, Goods & Services	1,351,800	1,315,360	(36,440)
125 - Governor's Office			
Revenue	-	-	-
Salaries and Good & Services	318,600	294,193	(24,407)
Revenue - Total Budget	**271,100**		
Revenue - Total Actual		**361,430**	
Revenue - Total variance over/(under)			**90,330**
Expenditure - Total Budget	**29,669,200**		
Expenditure - Total Actual		**27,347,082**	
Expenditure - Total Variance (over)/under			**2,322,118**

Overall outcome:

Actual Expenditure versus Budget	**92%**	**8% underspent**

Table: Summary of the ODG's Departments' Total Revenues & Spending: Budgeted versus Actual during Fiscal Year 2018/2019

	Fiscal Year 2018/2019		
	Approved Budget	**Actual Revenue / Spending**	**Variance - Overspent / (Underspent)**
120 - Office of the Deputy Governor			
Revenue (Naturalisation Fees)	270,000	353,785	83,785
Salaries, Goods & Services	15,304,700	15,312,103	7,403
121 - Human Resources Management Unit			
Revenue			
Salaries, Goods & Services	11,014,800	10,528,603	(486,197)
122 - Her Majesty's Prison			
Revenue			
Salaries, Goods & Services	1,222,200	1,213,483	(8,717)
123 - Royal Montserrat Defence Force			
Revenue (Fees)	1,100	-	(1,100)
Salaries, Goods & Services	168,100	166,174	(1,926)
124 - Disaster Management Co-ordination Agency			
Revenue			
Salaries, Goods & Services	1,232,000	1,229,810	(2,190)
125 - Governor's Office			
Revenue			
Salaries and Good & Services	345,200	332,734	(12,466)
Revenue - Total Budget	**271,100**		
Revenue - Total Actual		**353,785**	
Revenue - Total variance over/(under)			**82,685**
Expenditure - Total Budget	**29,287,000**		
Expenditure - Total Actual		**28,782,907**	
Expenditure - Total Variance (over)/under			**(504,093)**

Overall outcome:

Actual Expenditure versus Budget	**98%**	**2% underspent**

APPENDIX 9: NUMBERS AND RATES OF EMPLOYEE POSTS VACANT:

[A] THE PUBLIC SERVICE (GOM);

[B] O.D.G. & RELATED DEPARTMENTS

Table 9.1: The ODG's staffing & the GOM's staffing – establishment posts versus headcount for fiscal years 2016/2017 to 2018/2019

	Fiscal Year 2016/2017			
	Establishment (approved posts)	Headcount (posts filled) Total	Vacancies	Vacancy rate
ODG	17	16	1	6%
HRMU	17	15	2	12%
Prison	29	27	2	7%
DCMA	7	7	0	0%
Total	**70**	**65**	**5**	**7%**
Total GOM	**986**	**889**	**97**	**10%**

	Fiscal Year 2017/2018			
	Establishment (approved posts)	Headcount (posts filled)	Vacancies	Vacancy rate
ODG	17	14	3	18%
HRMU	16	14	2	13%
Prison	29	26	3	10%
DCMA	7	8	-1	-14%
Total	**69**	**62**	**7**	**10%**

	Fiscal Year 2018/2019			
	Establishment (approved posts)	**Headcount (posts filled)**	**Vacancies**	**Vacancy rate**
ODG	17	16	1	6%
HRMU	16	12	4	25%
Prison	29	25	4	14%
DCMA	8	6	2	25%
Total	**70**	**59**	**11**	**16%**
Total GOM	**1,010**	**881**	**129**	**13%**

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