

# The Government's Shift to Online Services





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# EXECUTIVE SUMMARY

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According to the United Nations (UN), e-government is the use and application of information and communication technology to provide information and public services, including government-to-government, government-to-business and government-to-citizen interactions. E-government involves streamlining and integrating systems, workflows and processes to effectively manage data and information and enhance public service delivery, as well as to expand communication channels for engagement and empowerment of people.<sup>1</sup>

Like the governments of most countries worldwide, the Cayman Islands Government has been changing how it provides services to residents, visitors and businesses. One of the Government's strategic broad outcomes in its 2020–21 Strategic Policy Statement (SPS) was "A Stable, Accountable Government". The broad outcome included a specific outcome, "to implement the e-government programme to extend access to public services, improve the quality of customer service and increase efficiency."<sup>2</sup>

The COVID-19 pandemic in 2020 highlighted the importance of online services when the Government instructed people to stay home and to limit physical interactions as much as possible. With the country under lockdown and curfew measures, the Government had to shift to delivering more online services so that customers could complete essential transactions from the safety and convenience of their homes.

The overall objective of this performance audit was to assess the Cayman Islands Government's efficiency and effectiveness in the delivery of online services. It sought to answer the following audit questions:

- How effective is strategic direction and oversight for e-government and the shift to online services?
- How well have e-government projects been planned and managed?
- How well are online services performing and to what extent are they contributing to greater value for money?

## KEY MESSAGES

The Cayman Islands Government has been shifting its public services online since the 2000s, when it introduced some online services, for example the General Registry's Company Register Information System (CORIS). In 2010, the Government launched its e-government initiative and in 2014, it created the E-Government Unit (EGU) to progress the e-government programme. Many government

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<sup>1</sup> *Global E-Government Readiness Report 2004: Towards Access for Opportunity*, United Nations, 2004.

<sup>2</sup> The period covered by our audit predates the latest SPS for 2022–23 (approved in July 2021), which includes, under Strategic Broad Outcome 3, a specific outcome, to "create a user-friendly system to access government services". This broad outcome aims to provide "solutions to improve the well-being of our people so that they can achieve their full potential".

services are now available online. The EGU has helped develop some of these online services and others have been developed independently.<sup>3</sup>

### **Strategic direction and oversight**

The EGU drafted an E-Government Strategy in 2015, which had four overall objectives: improving customer service, reducing costs, improving the perception and competitiveness of the Cayman Islands and creating a joined-up government. The Draft Strategy aligned with some elements of good practice, but not others. However, the EGU did not finalise the strategy.

The Government set up an E-Government Steering Committee in 2015 to provide governance and oversight to the e-government programme. The committee's role was to review and approve, or decline, project proposals for new or improved online services, and prioritise and monitor the EGU's projects. It started meeting in 2015 but stopped after April 2017. It is unclear who made these decisions after the committee stopped meeting.

The EGU has played an integral role in shifting the Government's services online. The EGU provides specialist and technical advice, as well as resources to support government departments develop online services. However, there is no governance framework to provide guidance and no standardised approach to managing and overseeing e-government projects. The EGU has developed some templates for monitoring progress of e-government projects, such as budget trackers and weekly progress reports. The EGU and departments also use some templates developed by the Government's Strategic Reform Implementation Unit (SRIU).<sup>4</sup> However, apart from business case templates, none of the templates have been widely shared or are easily accessible.<sup>5</sup>

In 2021, during our audit, the EGU started drafting a new E-Government Strategy. The new strategy includes more up-to-date objectives, including fostering a culture of innovation, creativity and collaboration and developing the digital economy. However, it does not include a strategic objective relating to efficiency or cost savings (one of the objectives of the 2015 Draft Strategy was to reduce costs). The draft no longer states explicitly that there is an objective in relation to "joined-up government". These are significant gaps.

The aspiration of the Cayman Islands Government's five-year strategy is that the Cayman Islands civil service be world class. We found that the Government offers many of the top 20 online services that are provided by governments globally. However, the Government's approach to developing the e-government programme lags behind other countries.

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<sup>3</sup> Appendix 3 provides a list of online services as at March 2022.

<sup>4</sup> SRIU templates used for e-government projects include project charter, monthly progress reports, change requests, responsibility assignment matrix and lessons learned.

<sup>5</sup> Business case templates are available on the Central Procurement Office's website.

## **Project planning and management**

The lack of an overarching governance framework has resulted in project governance being ineffective. Project sponsors' roles were unclear and key project documents were not prepared or approved.

The preparation and approval of business cases is an essential element in effective project planning and management. However, we found that business cases were not consistently prepared for e-government projects. For only one of the four projects that we reviewed was a business case prepared. The absence of business cases meant there was a lack of clarity about project objectives, benefits, risks, budgets and timelines. In addition, there was a lack of options appraisals to demonstrate the best way forward, the preferred procurement route or project management approach. The EGU has prepared business cases for some of the more recent e-government projects.

Effective project planning is essential for the proper running of projects. However, only one of the four projects we reviewed had a project plan. All had timelines, but none had set a budget.

The EGU used a hybrid of the agile and waterfall project management approaches for the e-government projects we reviewed.<sup>6</sup> However, it was not clear which elements were using the agile or waterfall approach, which is essential information for those providing governance and oversight. We found that there was effective communication but a lack of documentation and oversight of the completion of deliverables. For only one of the four projects was a lessons' learned review carried out.<sup>7</sup>

## **Performance and value for money**

The EGU has made limited progress against the four objectives set out in the 2015 Draft E-Government Strategy ("the 2015 Draft Strategy"). The quality of the output measures included in budget documents needs to be improved. For example, some of these relate to activities that are no longer the responsibility of the EGU, while others are not sufficiently challenging. The EGU does not measure or report its performance against the output measures or the 2015 Draft Strategy.

It is not clear if the Government has achieved value for money from the services that it has shifted online. This is largely because the costs and benefits of online services are unknown. Neither the EGU nor departments routinely capture performance, including customer satisfaction, or efficiency data, for online services. Despite this, some key performance indicators show improvement. For example, the take-up of online services has improved over time, with a marked shift in 2020, probably because of the COVID-19 pandemic. The data available show that overall customer

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<sup>6</sup> The waterfall, or traditional, project management approach follows a series of steps including design, build and test; all steps are completed before the outputs is released. The agile approach is an iterative process and focuses on delivering a minimum viable product in small portions and then refining it as the project progresses.

<sup>7</sup> A lessons' learned review is also referred to as a post-implementation review or post-project evaluation.

satisfaction is good, but customer satisfaction for online services is not regularly measured, monitored or reported.

All of the four projects that we reviewed were delayed, some significantly, because of changes in their scope. It is also not clear how much e-government projects cost to deliver, as budgets were not set and actual costs were not monitored. This is a significant gap. It is essential that the Government monitor the cost of designing, developing and implementing new IT systems. These systems are assets that are used to provide government services and should be capitalised and included as assets in core government balance sheets. However, without monitoring the design and development costs it is impossible to put a value on such assets.

The EGU has developed the e-government portal, which provides a summary of hyperlinks to all of the Government's online services under one website. Departments also have websites, and there is scope to improve these to ensure potential customers have easy access to, and clear instructions on how to use online services. There is scope to develop this further into a single website, providing a one-stop shop, for all online services, rather than individual departments' websites hosting online services.

# INTRODUCTION

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## THE GOVERNMENT HAS MADE A SIGNIFICANT SHIFT TO DELIVERING SERVICES ONLINE

1. E-government programmes shift online the delivery of public services that previously required customers to visit offices or that involved physical documents or other manual processes. Shifting services online services should improve both the efficiency and effectiveness of services, resulting in benefits for both customers and staff. Online services allow customers to access services and carry out essential tasks without visiting government offices, and to submit information and pay fees remotely, within a reasonable timeframe. Customers should have a better experience, as online services are more flexible and convenient. Investing in e-government is also expected to create a range of financial and non-financial benefits for departments, for example, reduced costs as a result of improved staff efficiency and reduced office and storage space.
2. Many countries started building their e-government programmes around the turn of the century. In 2001, the UN reported that only 17 of its member states were offering online services, principally the payment of tax obligations and fees, while the majority had information-only websites. However, it also reported that governments had significantly improved their websites in terms of content, design and focus on customers.<sup>8</sup>
3. Globally, the COVID-19 pandemic has resulted in many governments and the private sector fast tracking the transition to online services, particularly as much of the workforce has needed to work remotely for long periods. In 2020, the UN identified 12 leading countries in e-government that had put in place a set of mechanisms to support their e-government programmes.<sup>9</sup> The UN grouped the mechanisms under six domains: institutional framework; strategy and implementation; legal framework; usage of online services and user satisfaction; new technologies; and international and regional cooperation. Exhibit 1 summarises the six domains and the mechanisms that sit under each. Later in the report we assess how advanced the Cayman Islands' e-government programme is in each of these domains.

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<sup>8</sup> *Benchmarking E-Government: A Global Perspective*, United Nations, May 2002.

<sup>9</sup> *E-Government Survey 2020: Digital Government in the Decade of Action for Sustainable Development*, United Nations, 2020.



## Exhibit 1 – Elements of national e-government programmes

INSTITUTIONAL FRAMEWORK	STRATEGY AND IMPLEMENTATION	LEGAL FRAMEWORK	USAGE OF ONLINE SERVICES AND USER SATISFACTION	NEW TECHNOLOGIES	INTERNATIONAL AND REGIONAL COOPERATION
National E-government portal	National e-government/digital readiness strategy	Freedom and protection of personal data	Collecting usage statistics of e-government services	A specific national strategy on one or more of new technologies	Offering (or planning) support to other countries in e-government
Chief Information Officer (CIO)	National development strategy incorporating Sustainable Development Goals <ul style="list-style-type: none"> <li>• which makes specific reference to the use of new technologies</li> <li>• which is aligned with the SDGs</li> <li>• which is aligned with the national development strategy</li> </ul>	Open government data	Measuring satisfaction of citizens with e-government services	National government body working specifically related to the new technologies	Part of any subregional, regional or international cooperation on e-government
		Digital identity			
		E-Procurement			
		Digitally publishing government expenditure			
		Data interoperability			

Source: *E-Government Survey 2020: Digital Government in the Decade of Action for Sustainable Development*, United Nations, 2020

4. The UK National Audit Office (NAO) has identified, from its reviews of previous government digital business change programmes, a number of lessons for government to get right at the outset.<sup>10</sup> These lessons identified by NAO are similar to the mechanisms identified by the UN as essential for e-government programmes. The NAO identified 15 lessons covering the following six areas:

- understanding aims, ambition and risk;
- engaging commercial partners;
- approach to legacy systems and data;
- using the right mix of capability;
- choice of delivery method; and
- effective funding mechanisms.

### THE GOVERNMENT STARTED THE E-GOVERNMENT INITIATIVE IN 2010

5. The Government first announced its e-government initiative in 2010, which was called e-business at that time. However, the initiative did not have any dedicated staff. The Government

<sup>10</sup> *The Challenges in Implementing Digital Change*, UK National Audit Office, July 2021.

relaunched the e-government programme in 2013 and in December 2014, appointed the first E-Government Director, reporting to the Cabinet Secretary. After the 2017 election, the Government created a separate government department, the E-Government Unit, under the Ministry of Commerce, Planning and Infrastructure (MCPI). The EGU was set up to provide a common focus for the Government's shift to online services, and to support business owners in project management and business process analysis. Some online services existed before the establishment of the EGU. For example, the Department of Planning's Inspection Portal System (IPS), the Department of Vehicle and Drivers' Licensing's vehicle and drivers' licences (VDL) online system and the General Registry's Company Registry Information System (CORIS).

6. The UN has identified Estonia as one of the leading countries in e-government development, reporting that Estonians can access most government services online. The Estonian model features cutting-edge technology and security, and enables a range of functions, including digital identity, e-voting and e-taxation. In 2015, the Government commissioned the e-Governance Academy (eGA), an Estonian non-profit think tank and consultancy organisation, to advise it on e-government development. The eGA discussed the Cayman Islands' e-government status with Cabinet members, private-sector representatives and members of the E-Government Steering Committee in order to map the Cayman Islands' status and make suggestions for the next steps. In 2017, the Cabinet decided to adopt the Estonian e-government model to develop its online services. In the same year, the eGA provided follow-up consultancy on the specific areas of data sharing (called X-road) and a national ID system.
7. The Government's 2018–19 and 2020–21 Strategic Policy Statements (SPS) included the strategic broad outcome "A Stable, Accountable Government". This included a specific outcome, "to implement the e-government programme to extend access to public services, improve the quality of customer service and increase efficiency." The 2022–23 SPS, approved in July 2021, included, under Strategic Broad Outcome 3, a specific outcome, to "create a user-friendly system to access government services".<sup>11</sup>
8. E-government development requires considerable financial and human resources (for example project managers, business analysts and application developers), as well as equipment, software and security. The EGU and government departments are supported by the Computer Services Department (CSD), which provides staff essential to building online services, such as business analysts and application developers. As the Government's IT department, CSD provides operations support for, and hosts, most of the Government's IT systems. We were told that CSD has historically estimated for around 10–15 per cent of its application development capacity to work on e-government (online services) projects. Third parties deliver and maintain the other online services. However, government departments are responsible for delivering their services in accordance with the governing legislation. Department heads should incorporate the development of online services in their department's strategic planning and management.

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<sup>11</sup> Within Strategic Broad Outcome 3, the Government grouped the specific outcome under an intermediate outcome called "create a modern social infrastructure".

9. In 2020, because of the COVID-19 pandemic, the Government required people to stay at home and limit physical interactions as much as possible. The Government closed many of its offices during this time and staff moved to remote working. All of these requirements highlighted the need for more government services to be available online. For example, businesses needed licences that allowed them to operate, and people continued to need driving licences.

## ABOUT THE AUDIT

10. The overall objective of the performance audit was to assess the effectiveness and efficiency of the delivery of online government services in the Cayman Islands, and sought to answer the following audit questions:

- How effective is strategic direction and oversight for e-government and the shift to online services?
- How well have e-government projects been planned and managed?
- How well are online services performing and to what extent are they contributing to greater value for money?

11. The audit drew on a range of evidence to inform our findings and conclusion, including:

- interviews with key personnel, for example managers, system owners and the staff of stakeholder departments,<sup>12</sup>
- a review of documents on the e-government programme and our selected sample of online services such as:
  - Cayman Islands Government strategic documents, e-government strategic plans, terms of references of committees and projects, and EGU organisational documents
  - minutes and other documents about governance and decision-making;
- analyses of budget, financial and performance information; and
- a comparison of the state of online services in the Cayman Islands against international benchmarks.

12. Our audit aimed to determine how well the EGU had planned and managed e-government projects and how well the Government's online services were performing and contributing to greater value for money. In carrying out our audit, we selected four online services to examine in more detail. To inform our findings and conclusions about the role of the EGU, we therefore selected three online projects that the EGU had developed and managed, and one project that was developed independently of the EGU. The online services selected for detailed review were the following:

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<sup>12</sup> System owners include chief officers and heads of departments, depending on the specific structure laid down for the online service.

- The police clearance certificates (PCC) online system, owned by the Royal Cayman Islands Police Service (RCIPS). The Government will not approve work permits and business licences unless the applicant has a PCC. Therefore, a large proportion of the population uses PCC Online. This service was developed in-house by the EGU and RCIPS.
- The trade and business licences (TBL) online system, owned by the Department of Commerce and Investment (DCI). The Government requires all business owners to have a licence to operate in the Cayman Islands. TBL Online was relatively new when we started the audit. This service was developed in-house by the EGU and DCI.
- The vehicle and drivers' licences (VDL) online system, owned by the Department of Vehicle and Drivers' Licensing (DVDL). Most people in the country own or drive a car and may use the VDL system to obtain a driver's or vehicle licence. This system, developed by a third-party vendor, was first introduced in October 2012, but was subsequently deemed unstable, as the third-party vendor had not correctly implemented system changes. As a result, in 2017, DVDL initiated a stabilisation project carried out in-house, which was completed in 2018. The stabilisation project was the first step in a programme of activities to develop further the DVDL's online services. Our audit focused on the stabilisation project only. This project was developed by the EGU and DVDL.
- The Online Planning System (OPS), owned by the Department of Planning. Customers are principally individuals in the property and construction sectors, including property owners, developers and other service providers.<sup>13</sup> The customer base consists of a large part of the population. The department has outsourced the system's maintenance to a third party.

13. Appendix 1 provides more information about the audit, including the audit criteria, approach and methodology. Appendix 2 provides more information about the online services we examined during this audit. Appendix 3 lists all government online services in the Cayman Islands. Appendix 4 provides a summary of recommendations for improvement identified during the audit that we have submitted to the Cayman Islands Government, and management's responses to these recommendations.

14. We structured the report into three chapters:

- Strategic Direction and Oversight.
- Project Planning and Management.
- Performance and Value for Money.

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<sup>13</sup> According to the *Compendium of Statistics 2020*, published by the Economics and Statistics Office, the construction and real estate sectors' combined contribution to the economy exceeded \$560 million in 2019, representing about 12 per cent of gross domestic product.

## STRATEGIC DIRECTION AND OVERSIGHT

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15. Governments worldwide deliver a wide range of online services. Most governments and public bodies have strategies that set out their approach to delivering e-government programmes. These strategies aim to ensure that the shifting of services online is prioritised and meets the needs of citizens, and that resources are made available to deliver online services. A strategy for delivering the e-government programme should also align with other government strategies, such as the digital, workforce and financial strategies. This is essential, as government budgets need to take account of both the initial capital investment and the ongoing running costs of online services. Developing online services requires specialised skills and talent; many of these skills are in high demand and there are global skills shortages, creating challenges for governments. Therefore, it is essential that plans for acquiring and maintaining these skills are built into workforce strategies.
16. Appropriate governance and oversight structures are essential for the efficient and effective running of e-government programmes. Those charged with the governance and oversight of the programmes have a key role in:
  - ensuring that departments regularly update e-government strategies;
  - ensuring that departments deliver their strategic objectives;
  - reviewing proposed online services to decide which ones to prioritise;
  - ensuring that government entities follow good practice;
  - ensuring that control mechanisms are operating effectively; and
  - allocating resources and overseeing the performance of existing online services.

### THE E-GOVERNMENT UNIT DRAFTED AN E-GOVERNMENT STRATEGY IN 2015 BUT DID NOT FINALISE IT

17. In 2015, the Cabinet requested that the E-Government Director develop an e-Government Strategy. The director prepared a draft strategy (the “2015 Draft Strategy”) but did not finalise it. We were told that, despite never being finalised or approved, the EGU used the 2015 Draft Strategy in subsequent years to inform the implementation of the e-government programme.
18. The 2015 Draft Strategy included four overall objectives, detailed descriptions of each objective, and a set of 25 guiding principles. However, it did not set out metrics or quantitative targets. Exhibit 2 summarises the four overall objectives of the strategy and the supporting activities. We assess performance against these objectives and supporting activities later in this report in the chapter on Performance and Value for Money.

**Exhibit 2 – Strategic objectives and supporting activities in the 2015 Draft Strategy**

STRATEGIC OBJECTIVE	SUPPORTING ACTIVITIES
<p><b>1. To improve the customer experience.</b></p>	<ol style="list-style-type: none"> <li>1. All CIG services available from a single website.</li> <li>2. Implement risk-based access controls.</li> <li>3. Three-click service.</li> <li>4. Progress tracking of transactions.</li> <li>5. Reducing personal data collected.</li> <li>6. Customer control over their personal data.</li> <li>7. One common digital identity across all CIG.</li> <li>8. Online payment.</li> <li>9. Lifetime email address.</li> </ol>
<p><b>2. To reduce costs and information and communication technology investment requirements.</b></p>	<ol style="list-style-type: none"> <li>1. Reduce underlying cost per transaction.</li> <li>2. Minimise data storage requirements.</li> <li>3. Avoid investment in consumables and equipment.</li> <li>4. Accept reputable digital data/documents.</li> <li>5. Use low cost ICT solutions.</li> <li>6. Share common systems across multiple entities.</li> <li>7. Digital interface to non-government entities.</li> </ol>
<p><b>3. To improve the perception and competitiveness of the jurisdiction.</b></p>	<ol style="list-style-type: none"> <li>1. Cybersecurity.</li> <li>2. Protect customer data.</li> <li>3. Make government services available to foreign entities.</li> <li>4. Offer digital identity that meets know your customer obligations.</li> <li>5. Prioritise service errors management.</li> <li>6. Foster and encourage innovation.</li> </ol>
<p><b>4. To facilitate policy enforcement via an interconnected (joined-up) government.</b></p>	<ol style="list-style-type: none"> <li>1. Accept digital flags between CIG entities.</li> <li>2. Common use of digital identifiers.</li> <li>3. Digital data exchange.</li> <li>4. Near real time status verification/notifications.</li> <li>5. Revenue distribution for end-to-end transactions.</li> </ol>

Source: OAG analysis of the 2015 draft Cayman Islands’ e-Government strategy

19. The 2015 Draft Strategy stated, as one of the guiding principles, that the introduction of a national ID (identity) for citizens of the Cayman Islands and users of the e-government platform was a

requirement for the successful completion of the strategy. The project to develop a national ID programme has taken longer than expected due to other priorities. The national ID programme is now at an advanced stage, but it requires primary legislation before it can be implemented. At the time of this report, we were told that the legislation had been drafted and was almost ready to be issued for consultation and the Bill was expected to be tabled in the Parliament later in 2022.

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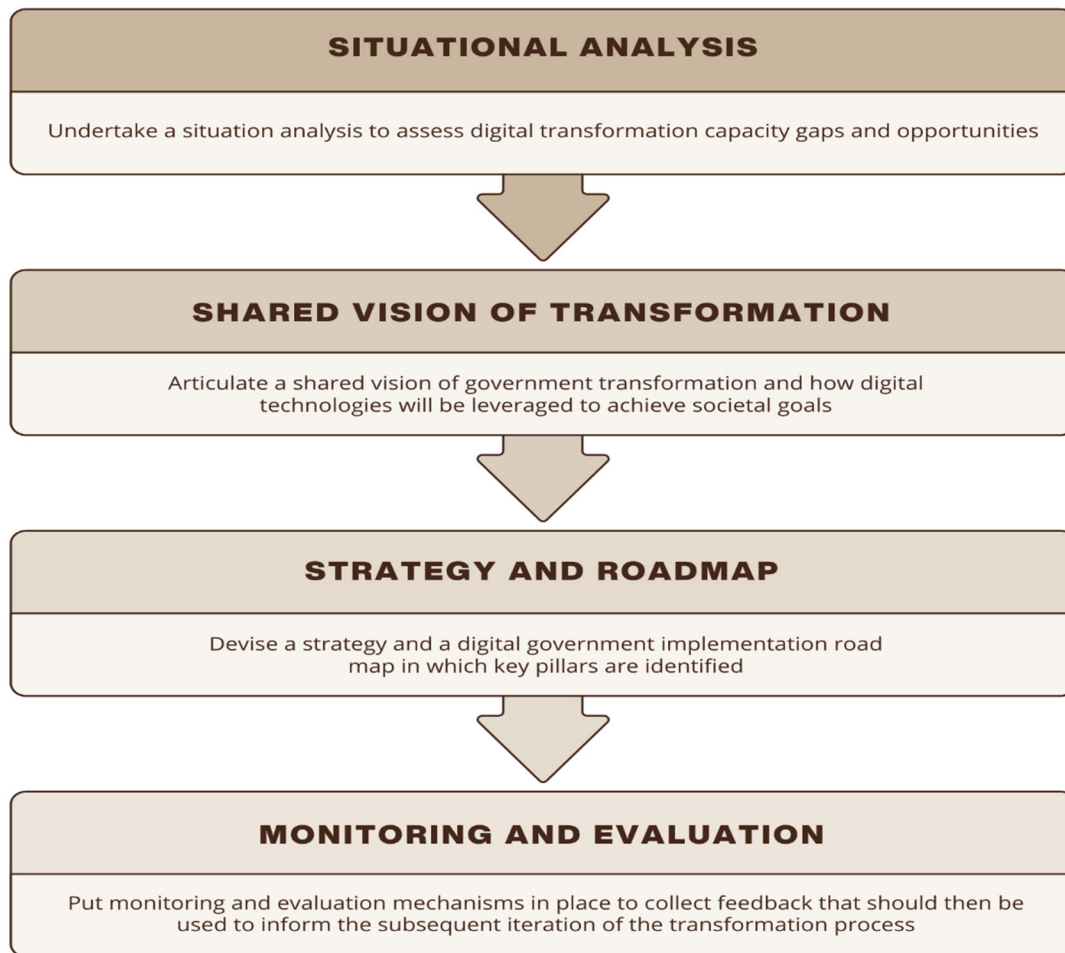
#### THE 2015 DRAFT E-GOVERNMENT STRATEGY DID NOT ALIGN WITH GOOD PRACTICE

20. The UN has developed guidance on developing digital transformation strategies.<sup>14</sup> The UN has stated that such a strategy should take a holistic approach that puts people first, revolves around individuals' needs and places particular emphasis on citizens who are left further behind. The UN outlines a process of digital government transformation that involves an iterative cycle comprising four steps or building blocks (Exhibit 3).

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<sup>14</sup> 2020 *United Nations E-Government Survey*, United Nations, 2020.

### Exhibit 3 – The UN’s e-government transformation process



Source: *E-Government Survey 2020: Digital Government in the Decade of Action for Sustainable Development, United Nations, 2020*

21. The first step in the UN’s digital transformation process is to carry out a **situational analysis**. We found that the EGU carried out some analysis to inform this but could have done better. For example, the 2015 Draft Strategy outlined existing laws and regulations, but it did not assess the gaps in the frameworks required for the future. The EGU assessed IT security aspects and IT availability but it did not include in the strategy any baseline information on customer satisfaction, the costs of delivering services, operating volumes or, if applicable, historical take-up rates.
22. In 2015, the EGU engaged with and surveyed the public about e-government initiatives. We found that 886 people responded to the survey. Of these, 161 respondents, 20 per cent, were visitors or non-residents, and only 44 per cent of all respondents had previously used online services. Survey respondents were asked to rank or prioritise future online services according to their preferences. The survey results identified the following three services as the top choices: Police Clearance



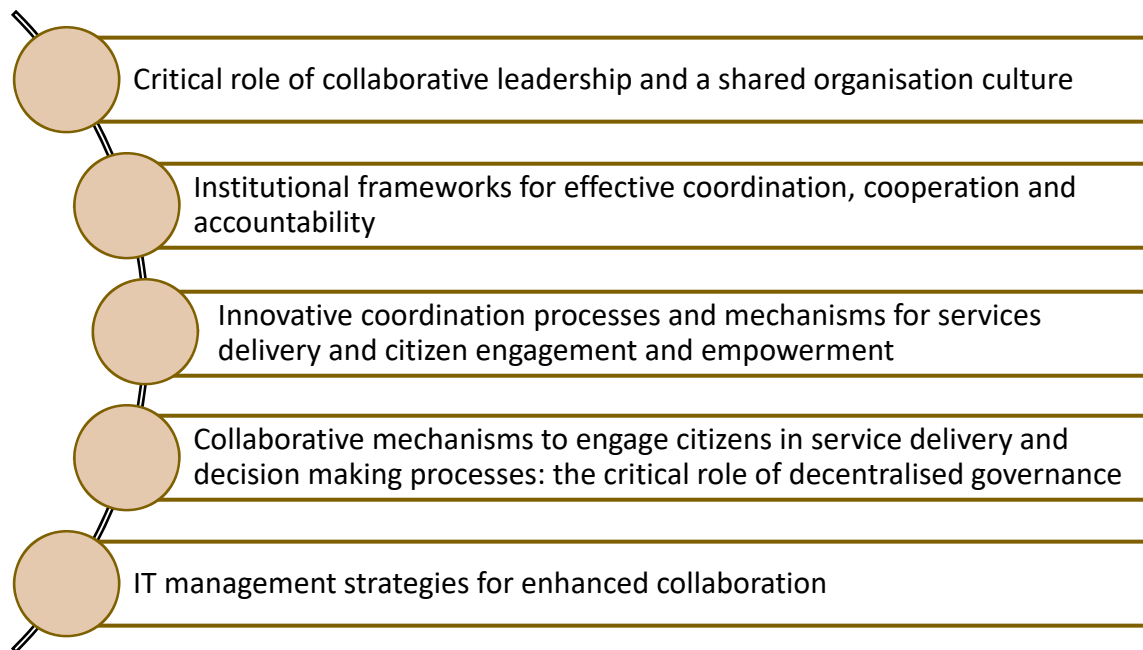
Certificates, delivery of certified documents and work permit processing. In addition, to surveying the public, the EGU surveyed Chief Officers and other key stakeholders to obtain their views on e-government services. Although it is not entirely clear how these survey results informed the 2015 Draft Strategy we noted that some of the projects and online services developed since the strategy was developed have provided a mix of people- and business-focused systems.

23. The EGU, when developing the 2015 Draft Strategy, did not carry out a benchmarking exercise to compare the Cayman Islands' e-government performance with that of other Caribbean countries, or other comparable jurisdictions. Benchmarking against other countries may have helped to capture lessons to be learned and to identify services to prioritise. We discuss later in this report how the Cayman Islands compares with other countries in relation to national e-government programmes.
24. The second step in the UN's process is to **create a common vision**. The UN recommends that the vision be created by running multi-stakeholder workshops. We found that the 2015 Draft Strategy included a list of online services that the Government was already offering, set out the vision for the e-government programme and identified guiding principles to achieve the vision. However, the strategy does not mention how many new services, or the technological advancements, such as interoperability and an identity and access management (IAM) application, that it expected to provide within the strategy's timeframe.<sup>15</sup>
25. The third step is to **create the strategy and roadmap**, which also involves setting priorities and developing an action plan. In 2014, the UN identified five enabling factors for transforming the approach to e-government (Exhibit 4).

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<sup>15</sup> The identity and access management (IAM) application allows users to access all the Government's online services with one set of login credentials.

#### Exhibit 4 – Five enabling factors for transforming government through a whole-of-government approach



Source: *E-Government Survey 2014: E-Government for the Future We Want, United Nations*

26. We assessed the Government’s approach and the 2015 Draft Strategy against the UN’s five enabling factors and found the following:

- The Government established a steering committee in 2015 that was intended to provide leadership and governance for the e-government programme. (We discuss this in the next section.)
- The strategy identified the impact on the existing organisational structure. In particular, it set out how entities and departments were expected to collaborate to deliver on the strategic objectives and online services, while ensuring that accountability arrangements remained relevant.
- The strategy focused on improving customer experience, which aligns with the UN good practice focus on citizen engagement and empowerment.
- The UN good practice also refers to decentralised governance but the strategy did not sufficiently emphasize these aspects of improving citizen engagement.
- The 2015 Draft Strategy’s guiding principles include data protection, use of cloud technology, and building on establish frameworks (existing online services), which align with the IT management strategies referred to in the UN good practice.

27. We found that the EGU prepared individual project plans but there were no financial plans or workforce plans to support the implementation of the 2015 Draft Strategy. At the time, the EGU was developing the 2015 Draft Strategy, other government departments were also developing strategies, but we found no clear link between them. For example, the Computer Services Department (CSD) adopted a CSD Strategic Plan in 2015 but did not publish it. Our review of the CSD Strategic Plan and the 2015 Draft Strategy found that they did not clearly align. The CSD Strategic Plan focused on building internal capacity and capability, including governance, leadership and culture, and improving internal customer service. However, there were no clear linkages between these CSD objectives and the outcomes identified in the 2015 Draft Strategy.
28. The final step in the transformation process is to develop and implement frameworks for **monitoring and evaluating** progress against the strategy. The EGU's project charter outlined a monitoring and evaluation process. However, the EGU did not formally report on progress against the overall objectives in the 2015 Draft Strategy after 2017. We discuss this later in the report.

**Recommendation 1: The Government should revise the e-government strategy to align with good practice.**

#### **THERE HAS BEEN A LACK OF GOVERNANCE AND OVERSIGHT OF THE E-GOVERNMENT PROGRAMME**

29. Programmes need effective governance to ensure they achieve their strategic objectives. Those charged with governance need to set the strategic direction, make key decisions, including prioritising and approving projects within the programme, allocate budgets and adjust the strategic plan as necessary. They should also monitor progress towards achieving the strategic objectives, using metrics and targets, and hold programme managers accountable for delivery.

#### **THE CABINET ESTABLISHED THE E-GOVERNMENT STEERING COMMITTEE IN 2015 BUT IT STOPPED MEETING IN APRIL 2017**

30. The Cabinet established the E-Government Steering Committee in 2015 to provide strategic oversight and prioritise the e-government initiative's implementation. The Cabinet also established the E-Government Task Force under the steering committee's oversight. The Cabinet approved the steering committee's terms of reference, which set out its role and required it to report to Cabinet on progress. Under its terms of reference, the Cabinet authorised the steering committee to make the following decisions:

- to approve, defer or decline e-government business cases and assign priority rankings to approved proposals;
- to agree or specify the funding model for each proposal and allocate funding among proposals from the EGU's budget;

- to hold project owners to account for the implementation and delivery;
  - to adopt an e-government framework with the advice of the E-Government Director and the E-Government Task Force; and <sup>16</sup>
  - to manage strategic-level e-government issues and risks, such as whole-of-government matters.
31. The terms of reference specified that the steering committee should have two co-chairpersons, two core members, three other appointed members and a representative from the private sector. Its composition was meant to ensure that it provided effective strategic direction and oversight. The co-chairpersons were the Deputy Governor and the Councillor responsible for the e-government programme.<sup>17</sup> The core members were the E-Government Director and the Chief Officer charged with the EGU's oversight. The three other appointed members were public sector senior leaders whose entities had experience of deploying e-services. The private sector member was the Chief Executive Officer of the Chamber of Commerce.
32. The task force was set up to design the e-government frameworks, guidelines and roadmaps, to monitor compliance with these, and to develop a customer charter and customer support procedures. However, the task force met only from July to October 2015 and did not deliver on its functions.
33. The steering committee held meetings from August 2015 until April 2017. It is unclear why the committee did not meet after April 2017, and no other governance and oversight arrangements were put in place when it ceased to function. The lack of effective governance and oversight creates a risk of lack of accountability for completing projects and for budgets and resources allocated to the programme and individual projects. There is no evidence to record who made decisions on prioritising projects after the steering committee stopped meeting.
34. We found that before April 2017, the EGU Director had updated the steering committee regularly, and the committee took relevant actions on the status updates. For example, it authorised the EGU to develop a population register and user management (also called identity management) system. After the steering committee stopped meeting, in April 2017, the EGU continued to prepare a monthly status update on the pilot project until June 2017. The status update included accomplishments, next steps and a register of key risks. However, there was no oversight of the status updates after the steering committee stopped meeting in April 2017. We found that there were some ad-hoc updates to Ministry officials on individual projects but no clear governance arrangements.

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<sup>16</sup> The e-government framework was intended to be the standard to be followed when implementing online services projects and to include good practice and templates.

<sup>17</sup> The Councillor was a Member of Parliament (formerly, a Member of the Legislative Assembly) belonging to the majority party, appointed to oversee a Minister's portfolio or a portion of it. As a result of constitutional amendments coming into force in December 2020, the post is now called Parliamentary Secretary.

35. The EGU has an internal pipeline of projects and activities that the EGU and/or CSD were involved in, but the pipeline is not shared widely in the civil service or published. From October 2017 to December 2020, the EGU produced master projects listings every month. The listings provided status updates about ongoing projects, including target completion dates, capital and operating budgets, as well as accumulated costs. For example, the October 2017 master project listing included e-government pilot subprojects (PCC Online, VDL Online and TBL Online) as well as pilot project components such as putting together the population register (consisting of nine activities) and a pipeline of six proposed online projects.

**Recommendation 2: The Government should establish clear governance arrangements that provide effective oversight of the e-government programme.**

#### THERE IS NO OVERARCHING GOVERNANCE FRAMEWORK FOR E-GOVERNMENT PROJECTS

36. The successful delivery of projects, including IT projects to shift services online, requires a well-defined governance framework that clearly defines stakeholder roles, the documents to be prepared, the required approvals and the monitoring and reporting arrangements to ensure delivery to time, cost and quality.

37. We reported in 2017 that the Major Projects Office (MPO) had provided good functional leadership for major capital projects.<sup>18,19</sup> The MPO developed a governance framework that set out the governance, oversight and approval arrangements for all major capital projects, and set out the Government's standard project management methodology. This framework helped senior responsible owners of major capital projects understand their roles and responsibilities, and ensured consistency in the preparation of documents and reporting of progress.

38. We found that there is no overarching governance framework for e-government projects, despite this being assigned to the E-Government Task Force in 2015. As a result, stakeholders and project sponsors, particularly government departments, have not always been clear about their roles and responsibilities, and key project documents have not been prepared or approved. We discuss some of these gaps later in the report.

39. The EGU has developed some templates for online services projects. For example, templates for project charters, progress reports (monthly and weekly), budget setting and monitoring, project change requisition, responsibility assignment matrix and capturing lessons learned. However, the EGU has not widely shared the templates and they are not available in a central location that is easily accessible to civil servants, such as on the civil service intranet (The Hub). The EGU and

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<sup>18</sup> *Major Capital Projects: Follow Up*, Office of the Auditor General, October 2017.

<sup>19</sup> The Major Projects Office is now referred to as the Major Projects Section of the Public Works Department.

departments have used other government templates for some elements of projects, for example, business cases.

40. The EGU could use the MPO governance framework as a benchmark and adapt it for e-government projects.

**Recommendation 3: The Government should adapt the governance framework for major capital projects to develop a governance framework that sets out the key stages, outputs and approval mechanisms for all e-government projects and IT projects.**

#### THE E-GOVERNMENT UNIT PLAYED AN INTEGRAL ROLE IN SHIFTING SERVICES ONLINE BUT ITS OUTPUT TARGETS DO NOT SUPPORT THE DELIVERY OF ITS OVERALL OBJECTIVES

41. The e-government programme is cross-government. Therefore, it requires both specialist and technical expertise, and a standardised and consistent approach, to ensure its effective rollout and delivery.

#### THE EGU PROVIDED EXPERTISE TO E-GOVERNMENT PROJECTS

42. In 2017, we also reported that the MPO operated as a centre of expertise for major capital projects. The MPO is headed up by a Chief Project Manager and employs a group of senior project managers who provide project management expertise for specific projects across the Government and public sector.<sup>20</sup> In practice, the senior project managers operate under a matrix management structure, i.e. they report to both the Chief Project Manager and the senior responsible owner (SRO) for the major capital project. The role of the senior project managers is to provide project management expertise, advice, and support to the SRO of projects.
43. The e-government programme also needs specialists and project management experts to work alongside the project owners that understand their systems, to develop efficient and effective online solutions. The EGU operates similarly to the MPO, providing support to departments, but the organisational structure is different.
44. As reported earlier, the E-Government Director was appointed in December 2014 and the EGU was established in mid-2017, within the Ministry of Commerce, Planning and Infrastructure. For the first three years, between 2014 and 2017, the Director was the only member of staff. In 2017, the EGU appointed an additional staff member and since then the EGU's staffing has grown steadily. By May 2022, the EGU had an establishment of 16 employees and had eight full-time employees and one intern in post. The full-time employees included the director, as well as project managers, business analysts, technical architect and software developers; there were eight vacant posts.

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<sup>20</sup> The Chief Project Manager is an employee of the Public Works Department and supervises the senior project managers who are assigned to individual major capital projects.

45. In December 2015, the Cabinet instructed the E-Government Director to resolve the Government's known cybersecurity deficiencies and weaknesses. Between December 2015 and December 2016, the E-Government Director was entirely devoted to cybersecurity remediation. The cybersecurity issues needed to be resolved to ensure the secure functioning of future online services. Cybersecurity remediation activities, such as the migration of the online services and implementation of the privileged access management system, continued between December 2016 and the second quarter of 2020.
46. Since 2015, the Government has shifted a large number of services online, launching 41 new online services. The EGU was significantly involved in developing 14 of these services and was partly involved in the development of a further four services. A list of all online services, as at March 2022, identifying those that the EGU was involved in developing, is included at Appendix 3.

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THE EGU'S ANNUAL OUTPUT TARGETS WERE NOT ALIGNED WITH THE OVERALL OBJECTIVES OF THE 2015 DRAFT STRATEGY

47. The EGU's budget is set as part of the two-year budget process as required by the *Public Management and Finance Act*. The Ministry's budget statement includes a high-level outline of the EGU's activities together with a set of output measures (EGU 1).<sup>21</sup> Exhibit 5 shows the EGU 1 output measures for the four years 2018 to 2021. Our review of budget documents found that little has changed from the earlier budgets (2015–16 and 2016–17). The budget statements for 2018–19 to 2020–21 stated that the EGU should do the following:
- administer the e-government programme;
  - establish an e-government platform infrastructure to support digitised services;
  - promote the use of online services;
  - develop, implement and provide oversight of a governance framework for the e-government programme; and
  - establish a policy and framework to enhance the Government's cybersecurity.
48. In December 2020, we published the report *Improving Financial Accountability and Transparency: Budgeting*.<sup>22</sup> In that report, we stated that in many instances it was not clear how agreed outputs contribute to outcomes throughout government. We found similar weaknesses in relation to the EGU's output measures.

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<sup>21</sup> The EGU was overseen by the Ministry of Commerce, Planning and Infrastructure (MCPI) during the 2020–21 budget process and presented one output in MCPI's 2020–21 budget statement, EGU 1 – implementation of E-government programme.

<sup>22</sup> *Improving Financial Accountability and Transparency: Budgeting*, Office of the Auditor General, December 2020.

## Exhibit 5 – Quality of the EGU’s output measures

OUTPUT MEASURE	ANNUAL TARGETS				EVALUATION
	2018	2019	2020	2021	
EGU 1 appropriation	\$2.4 m	\$2.0 m	\$2.4 m	\$2.4 m	
a) Number of e-Government Steering Committee meetings held	4	4	N/A *	N/A *	This does not measure outputs. Having an active Steering Committee contributes to proper programme administration. However, a better measure of performance could have been the extent to which Steering Committee satisfactorily achieved its terms of reference.
b) Numbers of projects initiated to improve or digitise business processes	4	4	4	5	This focuses on the number of projects started. A better output measure would be the number of completed projects.
c) Number of online transactions per month	1,000	1,400	2,000	2,500	Although this measures output, there was no baseline and the targets are not challenging enough.
d) Number of business processes analysed	N/A *	N/A *	6	6	This is an input that contributes to completed projects rather than an output in itself.
e) Number of cyber awareness campaigns	6	6	6	6	This is not relevant to the EGU after 2019. Cybersecurity was an ad-hoc function of the EGU in 2018 and 2019 but should have moved out of the EGU in 2020 and 2021.**
f) Percentage of online services delivered by the EGU achieving more than 10% of transactions online	80%	80%	80%	80%	Also called "take-up rate". This is a key measure for the e-government programme. However, the target take-up rate of 10% not challenging enough.
g) Percentage of core government employees addressed by cyber threat awareness campaigns within six months	90%	90%	90%	90%	This is not relevant to the EGU after 2019. Cybersecurity was an ad-hoc function of the EGU budgeted for 2018 and 2019 but should have been the responsibility of the CISO in 2020 and 2021.**
h) Cyber threat awareness campaigns every six months for all gov.ky users	100%	100%	50%	50%	This is not relevant to the EGU after 2019. Cybersecurity was an ad-hoc function of the EGU budgeted for 2018 and 2019 but responsibility should have been transferred to the CISO in 2020 and 2021.**

\* This output measure was not included in the corresponding year’s budget statement. \*\*In 2019, the Government appointed a Chief Information Security Officer (CISO) who took overall responsibility for cybersecurity.

Source: OAG analysis of budget documents.



49. The output measures do not align with the four overall objectives set out in the 2015 Draft Strategy (see Exhibit 2). Three of the EGU's eight output measures are cybersecurity activities, which relate to the overall objective of improving the jurisdiction's reputation. As reported earlier, the EGU's focus on cybersecurity remediation reduced after December 2016 but the EGU's output measures in recent budgets continue to refer to cybersecurity activities. In 2019, the Government appointed a Chief Information Security Officer (CISO) and from 2020–21 funding for that role was included as a separate output (MPA 7) in MCPI's budget.<sup>23</sup> It is unclear why the EGU continued to have output measures for cybersecurity after 2019, when this function became the responsibility of the CISO. There is no information as to what proportion of the EGU budget continued to support cybersecurity activities. It is also not clear if the Government is funding two separate departments to deliver the same activities. We found that none of the output measures relates to the strategic objectives of cost reduction or joined-up government. The only measure that may contribute to the strategic objective of improving customer experience is take-up rate (output measure "f").

50. The EGU's output measures set did not always measure the right things. We found the following weaknesses in the output measures set:

- Projects initiated (measure "b") and business processes analysed (output measure "d") are activity measures. Measuring the successful launch of new online services would be a better output to demonstrate progress.
- The target for the number of online transactions per month (output measure "c") increased each year, but this covers all online systems and does not appear to be challenging enough.
- The take-up rate (output measure "f") is a good measure, as it measures the proportion of customers transacting online. However, the target of 10 per cent is not sufficiently challenging. The target take-up rate remained static over the four years. We found that the actual take-up rate is significantly higher (we discuss this later in the report – see Exhibit 11).

**Recommendation 4: The E-Government Unit should improve its output measures to ensure that they clearly align with, and demonstrate the unit's contribution to, the strategic objectives for e-government.**

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<sup>23</sup> In the 2020–21 Budget Statement of the MCPI, Output MPA 7, "to develop and deliver strategic cybersecurity framework", included security awareness campaigns.

## THE GOVERNMENT OFFERS MANY OF THE TOP GLOBAL ONLINE SERVICES BUT NEEDS TO IMPROVE ITS APPROACH FOR THE NATIONAL E-GOVERNMENT PROGRAMME

51. Many countries worldwide have been developing their e-government programmes for decades. This is a huge undertaking and needs significant investment and commitment. The UN has identified 19 criteria to determine the advancement of countries' e-government programmes.<sup>24,25</sup> The UN grouped the criteria under six domains: institutional framework; strategy and implementation; legal framework; usage of online services and user satisfaction; new technologies; and international and regional cooperation. The UN identified 12 leading countries that performed well against the criteria in its biannual e-government survey in 2020.

## THE GOVERNMENT DOES NOT PERFORM WELL AGAINST THE UN'S CRITERIA FOR STRONG E-GOVERNMENT PROGRAMMES

52. As part of our audit, we compared the Cayman Islands e-government programme against the UN's 19 criteria and the 12 leading countries. However, it is worth noting that the Cayman Islands is not directly comparable to these countries, as it is a small jurisdiction and is likely to struggle to compete for the specialist expertise needed. However, the Government aspires to be a world-class civil service and, therefore, needs to understand how it compares against the best-performing countries based on the UN criteria. The EGU could use this information to identify further improvements and developments needed. Exhibit 6 shows that the Government has made limited progress against the 19 criteria; it has made clear progress in three of the 19 criteria, little or some progress on five, and no progress against 11 of the criteria.

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<sup>24</sup> *E-Government Survey 2020: Digital Government in the Decade of Action for Sustainable Development*, United Nations, 2020.

<sup>25</sup> The 12 leading countries are Denmark, South Korea, Estonia, Finland, Australia, Sweden, the United Kingdom, New Zealand, the Netherlands, Singapore, Norway and Japan. The United States and Iceland also performed very well, but did not submit data to the UN.

**Exhibit 6 – The Cayman Islands E-government programme compared with UN criteria and 12 leading countries**

	OTHER COUNTRIES <sup>1</sup>	CAYMAN ISLANDS
<b>Institutional framework</b>		
National e-government portal	12/12	Yes
A Chief Information Officer	12/12	No
<b>Strategy and implementation</b>		
National e-government strategy/digital readiness strategy	12/12	Little progress
National development strategy incorporating the UN Sustainable Development Goals:	12/12	No
• Which makes specific reference to the use of new technologies	10/12	No
• Which is aligned with the SDGs	9/12	No
• Which is aligned with the national development strategy	10/12	No
<b>Legal framework</b>		
Freedom and protection of personal data	12/12	Yes
Open government data	10/12	No
Digital identity	12/12	Some progress <sup>2</sup>
E-procurement	10/12	Yes
Digitally publishing government expenditure	8/12	No
Data interoperability	8/12	Some progress <sup>3</sup>
<b>Use of online services and user satisfaction</b>		
Collecting usage statistics of e-government services	11/12	Some progress <sup>4</sup>
Measuring satisfaction of citizens on e-government services	11/12	Some progress <sup>5</sup>
<b>New technologies</b>		
A specific national strategy on one or more of the new technologies	11/12	No
National government body working specifically related to the new technologies	11/12	No
<b>International and regional cooperation</b>		
Offering (or planning) support to other countries in e-government	10/12	No
Part of any subregional, regional or international cooperation on e-government	12/12	No

Notes: 1 - The UN report identified 12 leading countries, and the data in the table show how many of these leading countries achieved each criterion. 2 - The National ID programme has been developed but is awaiting primary legislation before it can be implemented. 3 - Projects are on-stream, but no benefits have been realised to date. 4 - Captured but not published or used in decision-making. 5 – Happy or Not satisfaction for some online services was introduced in 2020 but this is not separately identified and does not provide sufficient information to inform decision making (see paragraph 107 later).

Source: OAG analysis of Cayman Islands Government’s implementation of the e-government programme

**Recommendation 5: The Government should assess itself against the United Nations’ criteria for e-government programmes and use the results to inform future updates of the e-government strategy.**

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THE GOVERNMENT OFFERS MANY OF THE TOP 20 ONLINE SERVICES PROVIDED BY OTHER COUNTRIES

53. The 2020 UN E-Government Survey identified the 20 online services most frequently offered by the 193 UN member states.<sup>26</sup> As part of our audit, we assessed whether the Government offers these services online. Only 18 of the 20 services are applicable to the Cayman Islands; as a tax-neutral jurisdiction, online systems for income taxes and value-added taxes are not required. We found that, of the 18 applicable online services:

- Nine services are fully online. It is worth noting that the Cayman Islands is performing better than some UN member states for certain online services. For example, the process for obtaining police clearance is fully online in the Cayman Islands while only 90 of the 193 UN member states surveyed offer this service online.
- Five are partially online. For example, driver’s vehicle licences are partially available online because some customers are still required to collect licences in person.
- Four services are not available online. As reported earlier, the EGU project to develop a national identity database and issue personal identity cards to all residents is in the advanced stages.

54. Exhibit 7 shows how the top 20 online services compare in the Cayman Islands and UN member states.

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<sup>26</sup> *E-Government Survey 2020: Digital Government in the Decade of Action for Sustainable Development*, United Nations, 2020.

**Exhibit 7 – Analysis of the Cayman Islands’ provision of the 20 online services most commonly offered by UN member states**

<b>SERVICE</b>	<b>NUMBER OF UN MEMBER STATES THAT PROVIDE THE ONLINE SERVICE**</b>	<b>OFFERED BY THE CAYMAN ISLANDS GOVERNMENT?</b>
Register a business	162	Yes
Apply for government vacancies online	156	Yes
Apply for a business licence	151	Yes
Apply for a birth certificate	149	Yes
Apply for a marriage certificate	146	Yes
Pay for utilities (water, gas, electricity)	145	Yes
Apply for a driver’s licence	144	Partial
Submit income taxes	143	n/a
Apply for a building permit	136	Yes
Apply for a personal identity card	135	No***
Apply for land title registration	132	No
Apply for environmental permits	131	No
Submit value-added taxes	130	n/a
Pay fines	115	Partial
Apply for social protection programmes	112	Partial
Apply for a visa	95	No
Declare to police	90	Yes
Register a motor vehicle	82	Partial
Apply for a death certificate	74	Yes
Submit a change of address	66	Partial

*Notes: n/a - not applicable (the Cayman Islands does not collect income taxes or value-added taxes). \*\*The UN surveyed 193 member states. \*\*\*Currently not offered, but the National ID project is almost complete and awaiting primary legislation.*

*Source: OAG analysis using the 2020 UN E-Government Survey*

**THE E-GOVERNMENT UNIT HAS STARTED TO DEVELOP A NEW E-GOVERNMENT STRATEGY**

55. During our audit, the EGU started drafting a new e-government strategy (the 2021 Draft Strategy). The EGU shared the revised draft strategy with us in May 2021 but told us that it had not widely shared or consulted within government on the strategy at that time. We reviewed the 2021 Draft Strategy provided to us in May 2021 and compared it with the earlier 2015 Draft Strategy. Exhibit 8 summarises our comparison of the 2015 and 2021 draft strategies.

**Exhibit 8 – Comparison of the 2015 Draft Strategy and the 2021 Draft Strategy**

	2015 DRAFT STRATEGY OVERALL OBJECTIVES		2021 DRAFT STRATEGY OVERALL OBJECTIVES	DETAILS OF PROGRESS OR LACK OF PROGRESS
1	To improve the customer experience	1	To promote a customer-centric culture for digital services	Both draft strategies include an objective that specifically mentions customers. However, the focus has shifted. This objective in the 2021 Draft Strategy focuses on customer feedback and satisfaction.
2	To reduce costs and information and communication technology investment requirements		Not included	The 2021 Draft Strategy does not have an objective to reduce costs and does not mention efficiency gains. This is a significant gap.
	Not included	2	To modernise and optimise the delivery of public services	This is new objective in the 2021 Draft Strategy. The supporting activities for this objective relate to designing and developing customer-centric services.
3	To improve perception and competitiveness of the jurisdiction	3	To enhance the perception and adoption of e-services	The 2021 Draft Strategy continues to aim to improve perception but the supporting activities focus more on the Cayman Islands rather than internationally.
4	To facilitate policy enforcement via an interconnected (joined up) government	4	To deliver key enablers that underpin the digital economy	The 2015 Draft Strategy had a specific objective in relation to "joined-up government". The supporting activities for the fourth objective in the 2021 Draft Strategy suggest that this may still be a focus but it does not state this explicitly. This is a missed opportunity to continue to join up service across the Government.
	Not included	5	To foster a culture of innovation, creativity and collaboration	The 2021 Draft Strategy includes this new objective that focuses on internal activities needed to deliver e-government, including challenging the workforce, innovation and creativity and collaboration

Source: OAG analysis

56. Overall, we found that the 2021 Draft Strategy improved on the 2015 Draft Strategy in several areas, as follows:

- Customers continue to be a key priority, and now feature in two objectives; one on customer experience and another about designing customer-centric systems.
- It is clearer on functional leadership and talent management through a team of high performers to promote innovation, creativity and collaboration.
- It incorporates specific advances in technology, such as mobile applications, and the need for a product roadmap.<sup>27</sup>
- It aims for better public–private cooperation.

57. However, we also identified the following gaps in the 2021 Draft Strategy:

- It does not explicitly refer to joined-up government, which may be a missed opportunity. Better joined-up government could further improve customers' experience and break down silos across government.
- The overall objective of ensuring cost reduction has been removed. This is a major gap and a missed opportunity. We acknowledge that cost reduction may not be an objective of e-government, but a shift to online services should improve efficiency. Improved efficiency would result in reduced costs or delivering more with the same amount of resources. The 2015 Draft Strategy outlined several ways of reducing costs, including reducing cost per transaction, avoiding consumables and equipment costs, and using low-cost ICT solutions.

58. It is worth noting that in July 2021, the EGU moved to the Ministry of Investment, Innovation and Social Development. We have been told that since then, the Ministry has held strategic planning workshops and worked with an external consultant to further develop the strategy. We have not seen an updated version of the draft strategy.

**Recommendation 6: The E-Government Unit should finalise an updated E-Government Strategy as soon as possible and ensure that it includes objectives on improving efficiency and joined-up government.**

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<sup>27</sup> A product roadmap for an online service provides a whole-of-life approach and strategy for each line of business.

# PROJECT PLANNING AND MANAGEMENT

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59. Although the EGU provides expertise and technical resources, individual government departments are the business owners and, therefore, are responsible for the effective and efficient delivery of their services, whether online or manually. The departments are the experts in their processes and therefore need to establish clear strategic direction and objectives for their shift to online services. In doing this, they should consider how they will build customer-centric online services and determine what efficiencies they expect to gain from shifting services online. The departments need to ensure that they allocate sufficient financial resources and skills to projects and hold team members to account for successful delivery.
60. Effective project management requires projects to be properly planned, monitored and coordinated, and delivered to time, cost and quality. A wide range of project management approaches are used for IT projects across the world by the public and private sectors. However, the Cayman Islands Government generally uses the traditional or waterfall approach, which breaks a project down into phases; the agile approach, an iterative or incremental approach that can respond to requirements that are constantly changing; or a hybrid of these two approaches. It is important to select the most appropriate approach for each project and for everyone involved to know what is expected of them. Specialist skills and expertise are needed, which necessitates the involvement of project managers, application developers and business analysts, to ensure that systems are appropriately designed and developed and quality assurance is built into the process.
61. The majority of the findings in this chapter are based on the four projects that we reviewed, i.e. police clearance certificates (PCC Online), trade and business licences (TBL Online), vehicle and drivers' licences (VDL Online) and the online planning system (OPS). Appendix 2 provides more information on these four services. However, we also assessed the role of the EGU in ensuring that planning and management of individual projects follows good practice. As reported earlier, a large number of services have moved online since we started this audit and we have acknowledged developments where possible. However, we have not audited these projects and cannot therefore comment on the effectiveness of the projects' planning and management.

## PROJECT GOVERNANCE ROLES WERE NOT CLEAR

62. We reported earlier that there was a lack of governance and oversight of the e-government programme, and that there is no overarching governance framework. A governance framework should clarify who has overall responsibility for projects and the role of project sponsors, and provides guidance for overseeing projects. The project sponsor should play a key role in the oversight of projects, and is generally responsible for the following:



- setting the strategic goals of the project and ensuring their alignment with the entity’s wider strategy;
- ensuring that the necessary financial, technical and workforce resources are available to complete the project;
- providing oversight by monitoring the project against the plan and ensuring that it is delivered to cost, time and quality targets; and
- holding other members of the team accountable for the resources made available to them for the project.

63. The EGU launched a pilot project in September 2016, which aimed to implement government-wide solutions for the e-government programme, such as a single log-in and data sharing for all the Government’s online services. The pilot project also aimed to deliver two or three online services for priority implementation (“subprojects”). As a result of the surveys and subsequent feasibility study, the EGU approached three departments with systems that it had identified as subprojects of the pilot:

- the RCIPS, which owns PCC Online;
- the DCI, which owns TBL Online; and
- the DVDL, which owns VDL Online.<sup>28</sup>

64. Each department, as the primary stakeholder, should be the sponsor for its subproject. However, we found that this was not always the case. The EGU involved departments through kick-off meetings, but did not make it clear to the departments that they were the project owners and sponsors. Senior managers in the RCIPS told us that they believed that the EGU was in control of the project, and, as a result, the PCC Online project did not eliminate as many customer visits as the RCIPS wanted. Senior managers in the DCI reported similarly: the lack of clarity on sponsorship led to significant changes in the design and delivery of the TBL Online project, which resulted in substantial delays.

65. We also found that, because the project sponsors lacked awareness of their roles, they did not effectively monitor the projects’ status. Although project sponsors approved changes to project plans and additional hours needed to complete the projects, these decisions were not always documented. The EGU discussed challenges and potential solutions with project sponsors. For example, the EGU coordinated revisions to the request for proposal for the TBL Online project when the planned delivery was to be outsourced, involving the Chief Officer and DCI Director.

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<sup>28</sup> As reported earlier, VDL Online was first introduced in October 2012. The stabilisation project reviewed as part of our audit was initiated in 2017 and completed in 2018.

66. The DVDL Director and the MCPI's Senior Policy Advisor were joint sponsors for the VDL Online project.<sup>29</sup> The Director acted as the DVDL's primary contact with the EGU, while the Senior Policy Adviser provided strategic inputs during the project, including requirements to comply with future amendments to legislation. The Senior Policy Advisor also carried out some operational tasks, including business analysis, during the project, but arrangements were in place to ensure there was adequate and independent oversight.
67. Despite not being fully aware of their responsibilities, we found that the project sponsors ensured that departmental resources were available, including resources for analysing the process and user testing phases. For example, the TBL Online project sponsor ensured that the DCI Deputy Director was involved in critical phases, ensuring that the Deputy Director quickly made decisions when required.

**Recommendation 7: The Government, including the E-Government Unit and government departments, should clearly identify project sponsors at the outset and ensure that project sponsors clearly understand their roles and the project management approach being used so that they are able to provide adequate oversight for all future projects, including holding the project manager(s) and other team members accountable.**

#### **BUSINESS CASES WERE NOT PREPARED FOR PROJECTS BUT THIS IS CHANGING**

68. Project owners should agree the objectives and expected benefits at the outset so that the project's deliverables are clear and they can justify the investment needed. This information should be incorporated into a business case for each project. The Government's Strategic Reform Implementation Unit (SRIU) developed guidance and templates for developing business cases using the five-case model and reviewing business cases.<sup>30</sup> The business case should also include the following:
- a comprehensive options analysis;
  - chosen project delivery method;
  - the project management approach to be used;
  - the procurement route if the project is to be delivered by an external provider;
  - quality measures with baseline and target metrics, including the expected impact on customers and efficiencies and improvements in the operations of the business unit concerned; and
  - an assessment of risks and how these will be managed throughout the project's life. This should be further developed into a project risk register that is regularly monitored and updated.

<sup>29</sup> During the VDL online stabilisation project, DVDL sat within the MCPI.

<sup>30</sup> The Government's Strategic Reform Implementation Unit (SRIU) developed business case templates in 2015. Since 2018, the Procurement Act and Regulations have required that business cases be prepared. The current templates and guidance for business cases can now be found on the website of the Central Procurement Office (CPO).

69. The EGU incorporated the four objectives from its 2015 Draft Strategy into its business case for the pilot project. The EGU used the SRIU template to prepare the business case. The objectives provided some direction but were not specific enough to meet the individual subprojects' needs. Each of the three subprojects offered different services to different customers. It is also important that departmental resources and budgets are taken into account when considering the design and development of the system.

70. Of the four projects we reviewed, only one had a separate business case. The Department of Planning (DOP) prepared a business case, using the SRIU template, that demonstrated how it chose the preferred option. In the case of the three projects without a business case, it was not clear:

- what the online service should do or look like, and what changes might be needed subsequently;
- what specific customer needs would be addressed, i.e. how customers would benefit from the service moving online, and how customers wanted to use the service;
- whether it would be more effective to move the entire process online from the start or to implement a phased transition, eliminating the need for in-person visits to an office one at a time; and
- that delivering the online system in-house was the best option, because the departments did not consider alternative solutions.

71. We found the following in relation to the three projects:

- The DCI identified two strategic objectives for the TBL Online system when it prepared a request for proposal (RFP) for the project in 2015: a customer focus and achieving operational efficiency.<sup>31</sup> The DCI prepared a business case in 2015 which recommended to outsource systems development and identified four overall objectives, including a customer focus and achieving efficiency. However, this business case was not updated in 2016 when the decision was made to deliver the project in-house.
- The VDL Online project team, which included the DVDL Director, identified two system priorities at the outset, stabilising the system and improving its take-up rate, which in 2017 was at 0.06 per cent. A CSD employee conducted a technical assessment of VDL Online in early 2017 and came up with five recommendations to resolve the issues reported by customers.<sup>32</sup> Throughout the project, the project team monitored issues affecting the stability of the system and decided whether to address the issues as part of this project or defer them to later improvements of the VDL Online service.

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<sup>31</sup> Before starting the TBL online project, completed under the EGU, the DCI prepared two RFPs when it planned to procure third-party resources to deliver the project. The DCI stated these two objectives in both RFPs. The DCI did not publish the RFPs until it engaged the EGU and the CSD to deliver TBL online.

<sup>32</sup> The CSD handled customer support for the VDL online system in 2017.

- The RCIPS wanted to shift its entire PCC process online and created a three-phase roadmap. In April 2017, the PCC online service was launched but at that time it only partially delivered on the aim to eliminate office visits. Customers still had to visit RCIPS offices to get copies of their PCCs for at least four years after the launch of the PCC Online service.

72. We found that neither the EGU nor the departments routinely established metrics and quantitative targets for the subprojects. We found that with the exception of the EGU setting a target for the percentage of online transactions, metrics and targets were not set. We note that in March 2017, RCIPS did a one-week survey to determine how much time customers had spent travelling, and standing in line, for their PCCs. This information could have been used to set metrics but was not. Therefore, it is impossible to measure success or determine if the online services have achieved their objectives. Project sponsors are responsible for monitoring projects, but they cannot measure progress without metrics and targets. We also found, that of the four projects, only TBL Online had a risk register.

73. The EGU has started preparing business cases for e-government projects. In July 2018, it prepared a combined business case for the Office of the Deputy Governor (ODG) and the DCI. The ODG planned to shift its British Overseas Territories Citizen application process online, while the DCI planned to implement an online service covering anti-money laundering compliance for Designated Non-Financial Businesses and Professionals. The EGU considered both projects to be a good fit for off-the-shelf online systems with limited customisation. The combined business case outlined specific objectives for each system and included a combined options analysis. However, the two systems were different and a separate options analysis should have been prepared for each. The Chief Officer who oversees the EGU and the DCI approved the business case and was named as the project sponsor.

**Recommendation 8: The Government should prepare, for each e-government project, a specific business case that aligns with good practice. Each business case should set clear overall objectives, include a robust options analysis, set out the project management approach and procurement route to be used, and identify the costs, benefits and risks associated with the project.**

#### PROJECT PLANS WERE NOT IN PLACE FOR THE PROJECTS WE REVIEWED

74. A project plan is essential for all projects. It builds on the high-level information provided in the business cases, specifying the project timeline, and outlining team members' roles and responsibilities. The level of detail in the project plan depends on a project's size and complexity but should include the following:<sup>33</sup>

- Plan description.

<sup>33</sup> *Guidelines for Managing Projects*, Department for Business Innovation & Skills, 2010

- Pre-requisites.
- External dependencies.
- Project tasks organised into phases. This should include an appropriate level of detail, for example the planned start and end date, dependencies among tasks, the budgeted hours and team members responsible for the task.

75. A project budget that incorporates all resources committed to the project, including in-house staff. For example, EGU and CSD employees deliver many IT projects, but in most cases the EGU or the CSD does not recover their employee costs from department. Therefore, departments should include the estimated cost of in-house staff from the EGU and the CSD when preparing project budgets. This is important as the total estimated cost needs to be as realistic as possible when assessing if it is cheaper to deliver in-house or outsource. The EGU and the CSD also have finite resources and a number of work commitments, which they need to plan and manage effectively. As reported earlier, the EGU used the template for project charters developed by the SRIU. However, this template, along with other SRIU templates are no longer available on the Government's intranet, The Hub.

76. The EGU prepared a project charter for the pilot project. The project charter included the five key deliverables for the pilot project, a work breakdown schedule and a budget for both capital and operating expenditure. The project charter outlined the project's board and team members and provided high-level information such as mission, vision, goals, and a statement of benefits.

77. The projects we reviewed did not have full project plans. One project (the DOP's OPS project) had a project charter that contained most elements of good practice. The DOP project charter outlined the project objectives, assumptions and inputs as well as the project's purpose, deliverables, high-level business requirements and risks, and included a high-level timeline. The project charter set a budget of \$200,000, but the budget did not take into account the internal resources needed for the project, such as the DOP project manager. None of the other projects had a budget, so it was unclear what resources were committed to each project. We found that all of the other three projects had project timelines, which showed the relevant phases and activities leading to delivery.

**Recommendation 9: The Government should ensure that all projects to shift services online have full project plans, which are based on approved business cases, and provide further details on the timeline, budget, quality measures, the risks and how the risks will be managed.**

## PROJECT MANAGEMENT WAS EFFECTIVE, BUT THE E-GOVERNMENT UNIT'S USE OF THE AGILE APPROACH COULD HAVE BEEN BETTER

78. Effective project management is essential to the successful delivery of software projects. The project manager plays a key role in this, responsible for the project's success and ensuring delivery to time, cost and quality targets. The project manager should ensure that arrangements are in place to monitor costs and quality targets, continuously monitor progress against target dates, take actions to mitigate delays, and adjust the plan to keep the project on track in terms of time, cost and quality.
79. An IT project team needs a clear approach, as this will guide the rest of the project. As previously reported, IT or software development teams generally use waterfall, agile or a hybrid approach. The waterfall, or traditional, approach follows a series of steps, i.e. designing, building and testing, before a completed software package is released. The agile approach focuses on delivering a minimum viable product in small portions and then refining it. Agile users refer to the incremental delivery cycles deliveries as "sprints"; these sprints are expected to be iterative during the project and require short but daily meetings among team players. Each sprint should result in a deliverable.
80. It is important that project team selects the most appropriate project management approach. To do this, the project team should consider the following factors: project focus (activities versus final product), customer and stakeholder involvement, industry, flexibility of timeline, budget, number and type of teams working on the project, complexity, resources needed versus resources available, scalability, and resistance to change.
81. It is also essential that the project team and project sponsors are clear from the outset which approach is being used and what that means in practice for project management and oversight. It is not essential for project sponsors to be fully trained in project management approaches, but they do need a basic understanding so that they can effectively oversee projects and hold others to account.

## ALL PROJECTS USED AGILE METHODOLOGY BUT THIS COULD HAVE BEEN DONE BETTER

82. The EGU told us that it had intended to use a hybrid of the waterfall and agile project management approach for the three projects that it was responsible for that we reviewed. However, this was not documented in the project plans. Therefore, it was not clear what stages or elements of the project would be waterfall or agile. This would have made it difficult for the project sponsors to effectively oversee the projects.
83. The project managers identified agile sprints in the project timelines. However, the project managers and sponsors did not effectively monitor the sprints' completion. It was not clear how each sprint contributed to the overall goals of the projects. The EGU fully launched three projects

upon completion. The TBL Online team used an agile tool (Trello) to manage the project's testing phase, during which bugs identified by test users' feedback were fixed.

84. The DOP used a hybrid project management approach for the OPS, but this was not documented in the project charter. The department used an agile approach to continually define its programme and technology requirements and build capability to deliver the project. It used the waterfall approach to provide checkpoints at key stages. The DOP used agile tools to initiate, review and finalise elements of the system design. These tools facilitated collaboration, workflow and status monitoring among team members.
85. It is good practice for project teams to hold regular meetings and document decisions made and any actions to be taken, irrespective of the project management methodology used. In relation to the agile methodology it is usual for projects teams to hold short, daily meetings. We found that projects adopting the agile approach did not consistently have minutes of meetings. Although we were told that for one of the projects we reviewed, project management tools were used to capture decisions made in team meetings. being used.
86. Agile projects require specific governance arrangements to ensure that oversight is aligned with the approach of the project, because the agile approach is fundamentally different from the waterfall approach. To provide appropriate oversight, project sponsors need to be sufficiently familiar with agile methodology to ensure that they can ask the right questions about the project plans and the results achieved by the project. However, the project sponsors told us that they were not familiar with the agile methodology, which would have limited their ability to provide effective governance and oversight. We recommended earlier that project sponsors should be familiar, through training if necessary, with the project management approach or approaches being used.

#### PROJECT MANAGERS WERE EFFECTIVE IN COMMUNICATING WITH AND COORDINATING THEIR TEAMS

87. We found that the project managers of the four projects we reviewed effectively coordinated different parties to achieve key project deadlines. For example, the project updates for TBL Online included updated timelines, and the project manager regularly presented an updated risk register to the project team. The internal DOP project manager had experience of the department's business processes and was able to address low-level, detailed queries about the process during the project. All project managers actively led communications about specific topics that were integral to each project. For example, the EGU project managers led communications about the online payment aspect of the PCC system and the formal launch of the VDL and TBL Online services.
88. We found that the project managers coordinated user acceptance testing for all four projects. For example, early in the project the OPS project team agreed on a clear and effective project change approval process. The OPS project manager, the project managers documented the user testing

procedures and results effectively. They also documented confirmations from the departments that the user testing was satisfactory.

#### ONLY ONE DEPARTMENT PREPARED A LESSONS LEARNED REPORT

89. Good project management is necessary to keep projects on track, and risk management is an essential part of good project management. However, all projects are susceptible to risks and, even with mitigation, events may arise that result in delays or higher costs, or that affect the quality of the outputs and outcomes delivered. Therefore, it is important that lessons are learned and these are understood and documented so that future projects and team members can benefit from them.
90. We found that only the DOP had prepared a project closure or lessons learned report, for the OPS project.<sup>34</sup> The report outlined the project's achievements, outcomes and lessons learned. However, it did not include actual cost against budget or quality targets because DOP did not specify them at the outset. In the case of the PCC, VDL and TBL projects neither the EGU nor the departments prepared project closure reports.

**Recommendation 10: The Government should ensure that lessons learned from online services projects are captured, documented and shared with those involved in future projects.**

#### THERE IS SCOPE TO IMPROVE RISK MANAGEMENT FOR THIRD PARTIES

91. When government departments outsource services to third parties, they still own and should manage the resulting risks. KPMG International identified 10 potential risk areas when third parties are involved. These include: regulatory/compliance risk, strategic risk, subcontractor risk, vendor concentration risk, technology/cyber risk, country risk, financial viability risk, operational risk, reputational risk and legal risk.<sup>35</sup>
92. We found that the DOP's agreement with Brac Informatics has similar risks to those identified in the KPMG report. However, the DOP did not have a risk register that documented the risks, assessed their significance and identified actions to sufficiently mitigate them. We identified the following potential risks that should have been documented and managed by the DOP:
- The DOP relies on Brac Informatics to provide a secure platform for it to connect with its customers. However, the DOP has not independently verified that the platform is secure.
  - The Government's CISO issued an information security policy in February 2020. However, the DOP has not assessed if it meets the policy's confidentiality and data protection requirements. The DOP is required to comply with the Data Protection Act, which carries penalties for data breaches.

<sup>34</sup> These are also referred to as post-implementation reviews and post-project evaluations.

<sup>35</sup> *Third Party Risk Management Outlook 2020*, KPMG International, 2020.



- Most of the DOP's services rely on the OPS, and Brac Informatics hosts a significant portion of the DOP's digital information. Therefore, the DOP is dependent on Brac Informatics. The DOP has not established an exit strategy for this service.
- The DOP's contract with Brac Informatics states that customers are charged a flat fee for each transaction. However, the contract does not specify when the DOP and Brac Informatics should review the fee structure or what could trigger a change in the fees. The agreement does not guarantee a minimum level of revenue for Brac Informatics.
- Historically, Brac Informatics has not charged the DOP for any enhancement or changes to the system. However, the contract does not explicitly state that system improvements are free of charge. The lack of clarity of these aspects creates risks that could adversely impact service delivery to customers.

**Recommendation 11: The Government should ensure that the Ministries and departments effectively manage third-party risks through the maintenance of risk registers and regular review of risk assessments and mitigating actions.**

# PERFORMANCE AND VALUE FOR MONEY

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93. Shifting government services online requires significant upfront investment and must, therefore, provide value for money. Demonstrating value for money includes cost-benefit analyses and realising financial and non-financial benefits. Benefits may include simplified processes, improved efficiency or productivity, lower unit costs, and increased customer satisfaction. Some of these benefits may be difficult to measure.

## THE E-GOVERNMENT UNIT HAS MADE LIMITED PROGRESS ON THE OVERALL OBJECTIVES FOR E-GOVERNMENT

94. As reported previously, the 2015 Draft Strategy set four overall objectives. Although the strategy was never finalised or approved, the EGU used it to guide its operations and activities. We assessed the EGU's progress against each of the objectives. Exhibit 9 shows that EGU has made limited progress on the objectives.

95. We found that the EGU has made some progress in improving customer service. The e-services portal helps customers locate the online services they need and customers can now pay for services online, making it easier for them to transact. Of the four projects we reviewed, three (PCC Online, TBL Online and OPS) had eliminated the need for customers to visit offices and shifted the requirement for submitting documents from paper to online.<sup>36</sup> However, the user experience of VDL Online varies depending on the service. Some customers can renew their vehicle licence online completely but others may need to visit the DVDL offices to collect their licence in person.<sup>37</sup> We discuss the four projects' impact on the customer experience later in this chapter. In addition, recently launched services such as British Overseas Territory Citizen Online and the Designated Non-Financial Business and Professions online services have eliminated the need for in-person transactions.

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<sup>36</sup> The RCIPS operates PCC Online. The system enables residents to apply for and receive digital copies of PCCs. The DCI operates TBL Online. The system enables business owners to acquire or renew trade and business licenses online. The DOP operates the OPS. The system enables customers to carry out various transactions online. We report provide further details of these departments and their services in Appendix 3.

<sup>37</sup> The DVDL operates VDL Online. The system enables drivers and vehicle owners to renew their licenses online. However, a physical driver's license is needed and currently customers need to pick these up from a DVDL office. Vehicle licences in most cases can be renewed totally online for owners of vehicles who have upgraded to the electronic tags. In January 2022, about 90 per cent of vehicles have electronic plates.

## Exhibit 9 – Summary of progress on overall objectives of the 2015 Draft E-Government Strategy

	OVERALL OBJECTIVE	EXTENT OF PROGRESS*	DETAILS OF PROGRESS OR LACK OF PROGRESS
1	To improve the customer experience.	Some progress	<ul style="list-style-type: none"> <li>• Good progress on ability to make online payments.</li> <li>• Mixed performance on improving customer experience: <ul style="list-style-type: none"> <li>◦ Re-engineered services eliminated the need for visits and paper.</li> <li>◦ “Digitised existing process” marginally benefited customers.</li> </ul> </li> <li>• Some progress through e-service portal making services reachable within three clicks, but not all online services are on it; and for many services gave customers ability to monitor applications or get updates.</li> <li>• Some services collect less data, like DVDL guest services and TBL online.</li> <li>• Little progress in providing common username across CIG online services (only four services are included).</li> <li>• Progress has been made with National ID and Identity register but these are not yet implemented.</li> <li>• No progress on minimizing collection of personal data.</li> </ul>
2	To reduce costs and information and communication technology investment requirements.	No progress	<ul style="list-style-type: none"> <li>• Service charge arrangements are inconsistent across government.</li> <li>• Costs of projects are not monitored or reported.</li> <li>• Efficiency has not been baselined, monitored, or reported, except for some minor inputs.</li> <li>• Although not quantified, there are some indications that cost may have been reduced, including: <ul style="list-style-type: none"> <li>◦ By eliminating steps in the process and the need for paper documents. These will have reduced the time needed for staff to process applications, the need to store paper files, and the cost of stationery, printing and utilities.</li> <li>◦ Other low-cost strategies include use of open source software, alternative platforms and cloud services.</li> </ul> </li> </ul>
3	To improve the perception and competitiveness of the jurisdiction	Some progress	<ul style="list-style-type: none"> <li>• In terms of cybersecurity, EGU: <ul style="list-style-type: none"> <li>◦ contributed to cyber remediation</li> <li>◦ held cyber awareness and simulations</li> <li>◦ ensured security testing in projects it managed.</li> </ul> </li> <li>• Government appointed a CISO and established a security operations centre.</li> <li>• Some Government online services, but not others, are available to foreign entities.</li> <li>• No clear contribution in fostering and encouraging innovation and collaboration among private and public sector stakeholders.</li> </ul>
4	To facilitate policy enforcement via an interconnected (joined-up) government.	Limited progress	<ul style="list-style-type: none"> <li>• EGovConnect available since 2018 but usage is low.</li> <li>• Single site with one username and password for multiple services has been launched but only four services are currently using it.</li> <li>• PCC online has the capability to provide other government departments with PCCs electronically. However, Work Opportunities and Residency Cayman (WORC) does not accept PCCs electronically and customers need to submit these manually.</li> </ul>

\* We compared current progress with the details provided in the 2015 Draft Strategy for each overall objective. We assessed progress using four descriptors – clear progress, some progress, limited progress, and no progress.

Source: OAG analysis

96. The EGU has made no progress on the cost-saving objective, mainly because neither it nor departments capture, report or monitor costs at the programme or project level. For example:
- The EGU did not monitor total e-government expenditure on capital and operating activities on the four projects we reviewed.
  - Neither the EGU nor departments captured information on the operating costs of delivering services at baseline, i.e. before introducing online services, or on the current cost of providing online services. Therefore, the EGU cannot measure cost savings, if any.
  - The EGU does not include its employees' salaries as part of the capitalised or operating costs for IT systems that it develops in-house.
97. The third objective was "improving Cayman's competitiveness". This objective covered improvements in a number of areas, including cybersecurity, protecting customer data, making government services available to foreign entities and innovation. The EGU has made some progress against this objective. The EGU helped close cybersecurity gaps, and the Government now provides some of the same services online that are available internationally. Exhibits 6 and 7 in the previous chapter show how the Cayman Islands' e-government programme compares with other countries and how online services provided in the Cayman Islands compare internationally.
98. We found that the EGU has made limited progress against the objective of joined-up government. One of the main projects to support this objective was the development of the national identity (ID) database. Developing the database involved consolidating multiple databases to create a single verifiable register of persons that would be the starting point for the national ID programme. The database's creation has been delayed significantly because EGU employees were allocated to other projects. As reported earlier, at the time of preparing this report, the EGU had made significant progress in developing the national identity register and ID card. However, it requires primary legislation before it can be introduced, which is expected to be presented to Parliament later in 2022. Another way of creating a joined-up government is through the interoperability of systems and data. Interoperability enables government departments to share customers' information in a controlled manner. Once interoperability is achieved, online service users should not need to provide the same information and documents every time they transact and should be able to use a single log-in to access all government online services. The EGU has been working on the technical aspects of the interoperability of government systems since 2016 and at the time of this report had made significant progress.

**Recommendation 12: The Government should monitor progress on e-government's overall objectives by requiring regular progress reports from the E-Government Unit and ensure that remediation is in place in all areas where progress is not satisfactory.**

## OVERALL CUSTOMER EXPERIENCE HAS IMPROVED BUT IT IS NOT SYSTEMATICALLY MEASURED AND REPORTED FOR ONLINE SERVICES

99. As previously reported, improving customer service was one of the main objectives of the e-government programme. To help achieve this, the Government needs to have a clear understanding of customers' views, including what they want and need from an online system. The EGU should then ensure that this information is used to inform its strategy and work with departments to ensure that customers' needs are built into systems. The Government should also proactively seek customer feedback to ensure that it continues to improve the online services that it provides.

100. As reported earlier, in 2015, the EGU conducted a public survey to gather customer inputs about online services, but since then there has been no further survey to obtain more up-to-date information. In 2015, customers ranked the PCC process first among the services they wanted the Government to shift online. However, the departments did not ask customers for specifics about improving their experience with systems before designing and developing new online services.

101. None of the departments that we reviewed consulted with customers in advance of developing the new systems. However, the DCI and the EGU invited selected customers to a limited launch programme. In doing this, the DCI provided an opportunity for its customers test the system and provide feedback to the development team before the system was launched. This type of customer engagement will benefit both the system design quality and customer buy-in of new services.

**Recommendation 13: The Government should ensure that it involves customers in the design and testing of online services before they are developed and launched.**

### SOME ONLINE SERVICES DIGITISED THE "AS-IS" PROCESS, WITH THE RESULT THAT SYSTEMS ARE NOT FULLY ONLINE

102. Departments should ensure that they fully understand problems with the current system before designing and developing a new system. One of the first steps in shifting a service online should be a review of the business process to identify how the process can become more streamlined and efficient, and have a positive impact on customers. Ideally, online services should eliminate the need for customers to visit government offices to complete their transactions.

103. We found that both TBL Online and the OPS are now completely online. The DCI achieved this by redesigning its business processes to eliminate some requirements for a trade and business licence. The DOP achieved it by digitising the submission of construction plans and other requirements for the OPS. The DOP told us that the department had a history of customer dissatisfaction because of perceived delays in processing applications. However, when it introduced the OPS, it provided customers with information on the timeliness of the service through time stamps captured by the system and viewable by customers, their service providers and the DOP.

104. The EGU, in contrast, designed both PCC Online and VDL Online around the manual system that was already in place. This meant that it missed out the vital step of reviewing its business processes to determine whether any steps could be eliminated or streamlined before the system was digitised. As a result, it was not possible to move the whole process online and customers still need to visit offices to complete some transactions. For example, we found the following:

- When PCC Online was first launched in 2017, it eliminated the need for a first customer visit to submit the application form, provide documents and make payment. However, customers still needed to visit RCIPS offices in person to collect their PCC. Four years later, in May 2021, the system was amended to enable PCCs to be emailed to customers or, if customers so requested, to other government departments.<sup>38</sup>
- Similarly, VDL Online was initially developed by digitising the existing process. Initially, customers needed to collect their electronic services ID (ESID) in person; this step was eliminated in 2020. It is worth noting that the VDL Online process differs depending on the service. Drivers that have electronic licence plates are able to renew their vehicle license online but customers with old licence plates are still required to collect personally their vehicle licence. Customers obtaining or renewing a driver's licence still need to visit a DVDL office to pick up the hard copy of the licence.

OVERALL CUSTOMER SATISFACTION IS POSITIVE BUT DEPARTMENTS DO NOT MONITOR SEPARATELY CUSTOMER FEEDBACK AND COMPLAINTS FOR ONLINE SERVICES

105. Customer feedback enables organisations to monitor customer satisfaction. Government departments should not only record customer satisfaction data but should report such data to department managers to help them understand how customers view their service and identify areas for improvement. Departments also need this information to demonstrate that they deliver services to customers satisfactorily, particularly since the Government places significant importance on enhancing customer service.

106. We acknowledge that many government departments collect customer satisfaction data through kiosks located within their offices. However, this data only covers those customers that have visited an office to conduct business and have provided feedback. As more customers use online services it is important that those customers are also able to provide feedback on their satisfaction with the service provided. Management should monitor and report separately on customer satisfaction received from online services and in-person services, and use this to inform decision making.

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<sup>38</sup> The RCIPS can add government departments or entities to this feature, allowing online applicants to choose the department to which the RCIPS should send the PCC. Approximately 60 per cent of all customers need a PCC in order to apply for or renew a work permit.

107. We found that some customer satisfaction data for online services are available, but the departments do not systematically record, monitor, report and act upon customer ratings and feedback. We found the following results for the four online services that we reviewed:

- The RCIPS had not started collecting customer satisfaction data for PCC Online.
- The DOP implemented customer satisfaction surveys in June 2016 but does not capture the rates regularly. As of May 2022, customer satisfaction with the OPS was 84 per cent.
- DCI data for 2020 show a customer satisfaction rate of 97 per cent, but separate customer satisfaction data for TBL Online are not available.
- The DVDL captured online customer satisfaction for two weeks in the middle of August 2020, during which time customer satisfaction was 85 per cent. DVDL collects customer satisfaction data for all of its services. However, the data does not differentiate between customer satisfaction with online services, in-person feedback or customer feedback provided through the website.

108. The DCI has committed to a 24- to 48-hour response time for online queries and publishes this commitment on its corporate website. We were told that in practice the DCI may respond to queries within 24 hours. However, the DCI does not monitor its actual response times or how many online enquiries it satisfactorily addresses within the timeframe. The other departments have not established target response times. Also, DVDL took steps to improve customer service including establishing a customer service unit, and sending text messages to remind customers of upcoming expiration of vehicle and drivers' licences.

109. It is important to capture and analyse data on the volume of complaints and feedback, the type and nature of customers' feedback, who is assigned and eventually resolves the complaint, and the time taken to respond to or resolve the customer feedback. However, we found that none of the departments we reviewed had processes in place to monitor customer complaints and feedback or ensure that they are resolved to the satisfaction of the customer and in a timely manner.

**Recommendation 14: The Government should ensure that departments regularly capture and report customer satisfaction levels, as well as customer feedback and complaints, and use these data to inform departmental strategies and continually improve performance.**

CUSTOMERS CAN ACCESS ONLINE SERVICES FROM THE E-GOVERNMENT PORTAL AND A RANGE OF WEBSITES, BUT SOME OF THESE WEBSITES NEED TO BE IMPROVED

110. It is good practice for governments to have a single website from which customers can access all online services. The UN reported that nearly all countries surveyed had some type of basic government portal and 173 countries (almost 90 per cent) had an advanced e-government portal.

An advanced e-government portal features a one-stop shop, social networking opportunities and have an interactive design with feedback options.

111. In 2018, the Government launched its e-government portal. The portal pulls together links to all of the Government's online services under one website. The portal has a simple structure that allows visitors to view the offerings by department or area of need. In July 2021, the EGU developed a single sign on for the portal (eServices Sign In) and this was rolled out for three services at the end of 2021. The portal meets the UN's definition of a basic portal.

112. The four departments that we reviewed all have websites. The websites are easy to locate through search engines, and three have easy-to-find links to online services. However, the home page of the RCIPS website does not have a link to the PCC Online service portal. Each website has a "contact us" page that contains at least one specific email address where concerns about the online service can be sent. We found the following in relation to the websites:

- The PCC website contains instructions on how to use the service, guidance notes and frequently asked questions. However, some of the information was not up to date. For example, the physical address of the Criminal Records Office was out of date. In addition, in early June 2021, the RCIPS issued a press release announcing that PCCs would be emailed directly to customers provided updated instructions and stated that customers should not follow the instructions on the website as this was outdated. This could have confused customers and it would have been better to update the website before making the change to the process.
- The VDL Online website includes an email address for customers to use to contact the DVDL. The DVDL corporate website includes a form to provide feedback and a 'happy or not' customer satisfaction option. It also contains frequently asked questions (with answers), contact information, as well as information on the department's complaint procedures.
- The DOP website includes an online feedback form that allows users to ask questions or lodge complaints without sending an email. However, the OPS feedback form contains some jargon that is not user-friendly. In addition, some pages on the DOP website about the planning process are blank, for example information sheets, guidance notes, technical bulletins, policy notes and listing of permits issued.
- The DCI website has a chatbot to assist customers in completing their online transactions.<sup>39</sup> According to a DCI customer service survey in 2021, more than 90 per cent of those who had used the chatbot found it very useful or excellent. However, more than a third of the respondents said they did not know it existed, indicating that there is scope for the DCI to increase the chatbot's visibility.

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<sup>39</sup> The chatbot is a feature that helps customers with questions. The program simulates human interaction without the need for an actual human to chat to customers in real time; instead, the program draws from a knowledge base that interprets customers' interactions and returns pre-set answers.



**Recommendation 15: The Government should work towards a single website for all online services and in the meantime, it should ensure that all corporate and online services websites are regularly reviewed and updated.**

#### IT IS NOT CLEAR IF THE GOVERNMENT OBTAINED VALUE FOR MONEY FROM ITS INVESTMENT IN ONLINE SERVICES

113. Project managers are responsible for ensuring that projects are delivered to cost, time and quality, and the achievement of value for money. They should monitor the actual cost against the allocated budget, progress against the planned timescales and key performance indicators. The project manager should provide stakeholders with regular status updates against each of the metrics. We discuss performance in the next section.

#### THE FOUR PROJECTS REVIEWED WERE DELAYED

114. Project teams should deliver the online services on time to ensure that the public can start using the new services as soon as possible. Delivering on time also helps to contain cost and helps to prevent any adverse impact on other interlinked projects and future projects. We found that all four projects were delivered later than originally planned:

- The PCC project was completed in May 2017, with a minor overrun of two weeks against the planned timeline of twelve weeks (16.7 per cent delay).
- The OPS project team delivered the new online system in October 2017. The project was delivered with a minor delay of over two months against the initial timeline of 12 months (16.7 per cent delay).
- The VDL Online project was completed in April 2019, taking three months longer than the planned timescale of five months (60 per cent delay). This is a significant delay.
- The project team updated and revised the TBL Online project timeline multiple times. As a result, the project's duration doubled from seven to 14 months (100 per cent delay). This is a significant delay. We noted that while testing was completed in June 2018, the Ministry decided to formally launch the service in October 2018 together with the improved VDL Online.

115. In 2020, the audit office of Queensland, Australia, reported that around 47 per cent of IT projects are completed on time and 26 per cent take at least 50 per cent longer to complete than expected.<sup>40</sup> The four projects that we reviewed performed worse than this benchmark; none were delivered on time and half took at least 50 per cent longer to complete than planned.

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<sup>40</sup> *Delivering successful technology projects (report 7: 2020-21)*, Queensland Audit Office, September 2020.

## DEPARTMENTS DID NOT MONITOR THE PROJECTS' COSTS

116. Cost information is essential to managing a project effectively. Project teams should monitor the total cost of all internal and external resources used to deliver projects so that they can demonstrate the project's value for money. The total cost should include all direct costs incurred by the department or other agencies involved in designing and building the project, for example payroll costs for EGU and CSD employees involved with the projects. The costs of technical resources are likely to be substantial.
117. Departments did not monitor or report the actual cost of designing, developing and implementing the four projects. Therefore, it is impossible to determine whether the Government achieved value for money from these projects. As noted earlier, the OPS project charter included a \$200,000 budget for the third-party vendor's fees. However, the DOP did not include in the budget the in-house resources that it estimated would be required. The project team did not capture, analyse or report the costs of the project. We found that none of the departments monitored the costs of the other three projects, which is a significant gap. Departments, including the EGU and the CSD, could have monitored costs using the Government's Time Recording System.
118. In addition, the ministries should have monitored the costs of building IT systems with a view to accounting for these as an asset once completed. This is a requirement of accounting standards, but we found that none of the departments had done this. This means that the value of IT systems in the ministries' financial statements may be understated. We reported earlier that the Government has created two new online services, for British Overseas Territory Citizen applications and anti-money laundering compliance for Designated Non-Financial Businesses and Professionals. In both cases the relevant ministries have created the online systems as assets.

**Recommendation 16: The Government should ensure that all relevant costs are captured, monitored and reported for all projects.**

## THE EGU DID NOT RECORD DATA ON THE COSTS AND BENEFITS REALISED FROM PROJECTS

119. Demonstrating value for money requires information on the cost and benefits of each online service. However, the Government does not record this information. We have previously reported that, for this reason, the Government made no progress in its overall e-government objective of reducing cost. The EGU and departments need to demonstrate that the cost of delivering the project to shift to online services is within budget or justify any overspend. A good estimate of costs at the outset is necessary to justify that delivering online services is the preferred option. This would enable the Government to identify areas of improvement and potential savings.
120. The Government gives the EGU money to meet its capital and operating expenses. Exhibit 10 below shows EGU's annual capital and operating expenses but the EGU does not record the costs by

project. Therefore, it cannot demonstrate value for money for the resources it spends on each project.

**Exhibit 10 – Annual capital and operating expenses of the E-Government Unit**

Expenditure (in \$KYD '000)	2017	2018	2019	2020
<b>Capital expenditures</b>	685	999	602	979
<b>Operating expenditures</b>	317	784	1,525	1,609
<b>Total expenditures</b>	<b>1,002</b>	<b>1,783</b>	<b>2,127</b>	<b>2,588</b>

Source: OAG analysis of financial data from Government’s financial system IRIS

THE EGU DID NOT SET QUALITY TARGETS FOR INDIVIDUAL PROJECTS, BUT SOME KEY PERFORMANCE INDICATORS SHOWED IMPROVEMENTS

121. The EGU’s business case for the pilot project set quality targets, called key performance indicators (KPIs). However, the EGU did not tailor them to individual subprojects. Some, for example the comparative cost of using consultants, were irrelevant to the projects, since the EGU delivered most projects internally. The EGU included ‘cost per transaction’ as a KPI, but it is unclear exactly what the EGU intended the KPI to measure as it did not define the cost of transactions, or set baselines or benchmarks. Cost per transaction could be a good efficiency measure. For example, it may have been useful to assess whether the fees that departments charge are enough to cover the cost of delivering the services. However, the EGU did not record the necessary data to measure the three subprojects’ performance against the KPIs.
  
122. The OPS project objectives included improved efficiency and effectiveness of operations, and the ability to retrieve records and combine helpful reports. However, data to demonstrate if these objectives were achieved had not been captured. We also found that data were not captured, as a baseline or regularly, to demonstrate whether the project contributed to increased customer satisfaction and business confidence. DOP data showed an improvement in the percentage of applications processed on time, but it is not clear if management is using the information to monitor its operations.
  
123. We found that departments did not monitor or report the take-up rates of their online services. The EGU calculates take-up rates on all projects using data provided by CSD and provides updates to Ministry officials. Exhibit 11 shows the take-up rate for the four online services we reviewed for the four years from 2018 to 2021.

**Exhibit 11 – Take-up rate of online services\***

	2018	2019	2020	2021
<b>PCC Online</b>	34%	38%	78%	99%
<b>VDL Online</b>	3%	8%	28%	20%
<b>TBL Online**</b>	3%	26%	63%	69%
<b>OPS</b>	12%	79%	93%	89%

*\*Take-up rate is calculated as the transactions carried out online as a percentage of all transactions.*

*\*\*TBL Online was launched in October 2018.*

*Source: OAG analysis of EGU transactional data*

124. Exhibit 11 shows that, in the case of two of the four online services we reviewed – PCC Online and TBL Online – the take-up rate has increased significantly over the past four years, with year-on-year increases. We noted that although the take-up rate for the OPS had increased significantly between 2018 and 2020, it had fallen back slightly in 2021. However, we also noted that in 2018, after six years of operation, VDL Online had a take-up rate of only 3 per cent, although it has increased since then.<sup>41</sup> The increase in take-up of all services in 2020 is likely because of the COVID-19 pandemic, but it is encouraging that, in the case of all services except VDL Online, this trend continued in 2021.

125. It is worth noting that for some of these services customers have the choice of using the online service or carrying out transactions in person, which may affect the take-up for online services. Customers requesting a PCC must do this online, which explains the 99 per cent take-up rate by 2021. OPS is mostly online although customers may still book inspections manually, which likely contributed to the 89 per cent take-up rate in 2021. However, both TBL Online and VDL Online allow customers to choose whether to complete their transactions in person or online, but the take-up rates are markedly different (69 per cent for TBL Online compared to 20 per cent for VDL Online). We acknowledge that vehicle inspections require customers to actually visit DVDL offices, and that some customers may renew their vehicle licence at the same time, which may partly explain the low take-up rate.

<sup>41</sup> The VDL Online project started in 2012 prior to the establishment of the E-Government Unit. One of the reasons for further enhancements to this project in 2017 was the continued low take-up rate of 0.6 per cent.

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SOME EFFICIENCY IMPROVEMENTS HAVE IMPROVED CUSTOMER EXPERIENCE, BUT IT IS NOT CLEAR BY HOW MUCH STAFF EFFICIENCY HAS IMPROVED

126. Moving services online should improve efficiency, for both customers and staff. Efficiency measures could include reducing transaction time, reducing the average cost of a transaction, eliminating or reducing the number of contacts with customers, freeing up staff time or increasing the volume of transactions with the same level of resources. However, in the case of all projects, it is not clear how much the new or improved online services have improved efficiency. We noted that time and motion studies were carried out for the PCC service to demonstrate the benefits to customers but these have not been used to monitor or report improvements in efficiency.

127. The EGU pilot project business case included efficiency KPIs, for example the number of transactions, time to complete transactions and cost per transaction. However, as previously reported, the EGU did not tailor these KPIs for each online system, set targets or record baselines. For example, it is unclear whether the KPI on time to complete transactions was meant to measure how much staff spent on one transaction, how much time customers spent completing their transaction, or both. The EGU did not record baselines for staff efficiency or measure the average time staff spent on processing transactions. Departments did not capture sufficient efficiency data to demonstrate improvements in efficiency.

128. As reported earlier, some, but not all, online services eliminated the need for customers to visit government offices. Not only was this a missed opportunity to improve customers' experience of the service, but it also meant that RCIPS and DVDL were not able to improve the efficiency of delivering the services as much as they could have. PCC Online, TBL Online and OPS have eliminated the need for in-person visits. The RCIPS told us that staff work patterns at the Criminal Records Office improved after the introduction of PCC Online. The DCI told us that efficiency had improved because staff no longer have to input information from documents submitted by customers and have freed up time to examine the submissions and determine if they are in order. Also, online submissions should have freed up storage space. However, the departments could not quantify the improvements.

129. Moving systems online should improve turnaround time.<sup>42</sup> The RCIPS has committed to turn around PCCs within 10 days. In July 2021, the RCIPS senior management team started monitoring on a weekly basis the average turnaround time of PCCs using a 30-day moving average. RCIPS data show that on 22 July 2021, the 30-day average turnaround time was 5.8 days. The turnaround time had further improved to 2.4 days by 23 August 2021. We found that the turnaround time of DOP transactions had improved by 13 per cent from 2017 to 2020. In addition, DOP had improved the percentage of on-time completion of applications in two categories of services: inspections

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<sup>42</sup> Turnaround time is the time from submitting an application and requirements for government services to completion of the transaction.

completed on time had increased from 63.4 per cent in 2017 to 82.3 per cent in 2020; and plan reviews completed on time had increased from 61.4 per cent in 2017 to 76.6 per cent in 2020.

**Recommendation 17: The Government should ensure that key performance indicators are clearly defined, monitored and reported consistently to ensure that projects improve the quality of services and can demonstrate value for money.**

## CONCLUSION

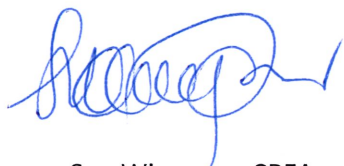
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130. The Government has been shifting services online for a number of years and first established an e-government initiative in 2010. However, a decade later, in 2020, the COVID-19 pandemic heightened the importance of online services for the people of the Cayman Islands. The pandemic provided us with a reminder that we needed to be able to conduct essential government business from the comfort and safety of our homes. It is pleasing to note that a large number of government services are now available online and there has been a marked increase over the past few years. The E-Government Unit has played an integral role in shifting services online. The Government compares well against the top 20 online services provided by governments globally.
131. However, I note that an e-Government strategy was drafted in 2015, but this was never finalised. That strategy had some elements of good practice but the Government's overall approach to developing the e-government programme lags behind other countries. During 2021, the E-Government Unit started to develop a new e-government strategy. This is good news as what the Cayman Islands needs now will likely be very different to seven years ago. However, I noted that the new draft strategy was missing some key objectives like improving efficiency and joining up government that I view as essential for such a programme. I urge the Government to further develop the draft strategy, ensuring that it aligns with international good practice, and finalise, and publish it as soon as possible.
132. It is disappointing that although overarching governance arrangements for the e-government programme were established in 2015 they operated for two years only. It is not clear who provided governance and oversight, and made decisions on the priorities, for the e-government programme after April 2017. This is a significant gap. I also noted that that one of the key deliverables, a governance framework for e-government projects, was never put in place. This would have provided a better understanding of the roles of project sponsors and project management approaches being used, which we found was lacking in some cases, resulting in ineffective project governance. I encourage the Government to put in place appropriate governance and oversight arrangements for the remainder of the e-government programme and future projects.
133. While we found that project management was effective there were some gaps. For example, of the four projects we reviewed only one had a business case. Although I understand that more recent projects have business cases, which is welcomed. We also found that only one project had set a budget, but this was limited to the estimated cost of outsourcing the service.
134. Despite the good progress in shifting services online it is not entirely clear if the Government has achieved value for money from this investment. This is largely because the costs and benefits of the services are unknown. Neither the E-Government Unit nor departments routinely capture

performance data that would demonstrate the benefits or improved efficiency from shifting services online. I am pleased that the take-up rates of the four online services we reviewed have increased significantly over the past four years, with a marked improvement in 2020, likely because of the COVID-19 pandemic. The Government has been collecting customer satisfaction data since 2018. However, departments are not analysing this information to separately identify customer satisfaction with online services and using this information to inform decision making and identify further improvements that could be made. I also note that very little data is captured or monitored to demonstrate the efficiency of online service delivery.

135. It is disappointing to note that the cost of designing, developing and delivering online services projects is not being captured. This is a significant gap as it is essential information for both demonstrating value for money and identifying the value of any new assets created that are used to deliver government services. I strongly urge the Government to start collecting such information as soon as possible.

136. Finally, I want to acknowledge the development of the e-government portal, which provides a useful summary of hyperlinks to online services for customers. However, I note that online services are hosted on individual departments' websites and some of these could be improved. I encourage the Government to shift to a single website, providing a one-stop shop for customers, to access all government online services rather than these being hosted individually.



Sue Winspear, CPFA  
Auditor General  
George Town, Grand Cayman  
Cayman Islands

14 June 2022



# APPENDIX 1 – ABOUT THE AUDIT

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## OBJECTIVE

1. The overall objective of the performance audit was to assess the effectiveness and efficiency of the delivery of online services by the Cayman Islands Government, and sought to answer the following audit questions:
  - How effective is strategic direction and oversight for e-government and the shift to online services?
  - How well have e-government projects been planned and managed?
  - How well are online services performing and to what extent do they contribute to greater value for money?

## CRITERIA

2. Audit criteria set out the expectations or standards against which an audit can assess observed performance to develop findings, make recommendations as appropriate and draw conclusions on audit objectives. We set the following criteria for this audit:
  - 1) The Government has a clear and well-written online services strategy that is linked with other strategic plans.
  - 2) Governance and oversight structures for online services delivery are clear, effective and fit for purpose.
  - 3) Priorities for the development of online services reflect both public needs and Government strategy and are approved at the right level and updated regularly.
  - 4) Customer service focus is embedded in the design, operations and continuous improvement of the Government's online services.
  - 5) Online services development projects employ good project management practices to monitor progress towards project goals of quality, time and cost.
  - 6) Online services development and operation achieve good value for money.
  - 7) The Government has a clear framework to ensure a joined-up approach in designing and delivering online services while in development and operation.

## AUDIT SCOPE AND APPROACH

3. The audit assessed the effectiveness and efficiency of delivery of online services by the Cayman Islands Government. The e-government programme adopted a whole-of-government approach. We

assessed the governance, strategy and delivery at the whole-of-government level using good practices and international benchmarks. Our audit covered the role of the E-Government Unit (EGU), including how the EGU contributes to achieving the e-government strategic objectives.

4. In carrying out our audit, we selected four online services to demonstrate clearly how well the EGU planned and managed e-government projects and how well the online services are performing and contributing to greater value for money. The online services selected for detailed review were: police clearance certificates (PCC) online, trade and business licences (TBL) online, vehicle and drivers' licences (VDL) online, and the Online Planning System (OPS). We looked at the PCC and VDL systems because of their broad customer bases. We looked at the TBL and OPS systems because the systems help the Government ensure that key economic industries are adequately regulated. We provide more details of the four online services in Appendix 2. The examination of individual projects focused on:
  - project governance and oversight;
  - project management;
  - delivery to time, cost and quality; and
  - impact of the online service.
5. We conducted the audit in accordance with the International Standards of Supreme Audit Institutions (ISSAI). The audit methodology included:
  - interviews with key personnel, managers, system owners and staff in stakeholder departments;<sup>43</sup>
  - reviews of documents on the e-government initiative and our selected sample of online services such as:
    - strategic government documents, e-government strategic plans, terms of references of committees and projects; organisational documents of the EGU
    - minutes and other documents in relation to governance and decision-making;
  - analyses of budget, financial and performance information; and
  - comparison of online services in the Cayman Islands' against international benchmarks.

## AUDIT STAFF

6. The audit was carried out under the direction of Angela Cullen, Deputy Auditor General (Performance Audit), assisted by Julius Aurelio (Audit Manager), Edgar Bennett (Audit Project Leader) and Brittany Clarke (Professional Audit Trainee).

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<sup>43</sup> System owners are the owners of the online services delivered by the Government, including chief officers and heads of departments, depending on the specific structure laid down for the online service.

## APPENDIX 2 – ONLINE SERVICES EXAMINED IN THIS AUDIT

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We selected four online systems projects to review as part of our audit. These included three projects that the EGU played a major role in developing, managing and delivering and one project that was outsourced to a private company and overseen by a government department.

### POLICE CLEARANCE CERTIFICATES

1. Members of the public need police clearance certificates (PCCs) for different reasons, including work permits and permanent residence applications with Work Opportunities and Residency Cayman (WORC).
2. The Royal Cayman Islands Police Service (RCIPS) is responsible for the issuance of PCCs. The Commissioner of Police heads the RCIPS and its senior command team. A member of the senior command team has oversight of the RCIPS Business Centre, which includes the Criminal Records Office (CRO), which processes PCCs.
3. According to the Police Act (2021 Revision), a PCC can be issued to any individual who applies for one and who provides the required personal information and fingerprints and pays a fee. Applications are processed by the Criminal Records Office (CRO). Provided the applicant has supplied all the information required, the CRO searches the Judicial Administration’s system and issues a PCC indicating that the applicant does not have any recorded convictions or identifying any previous convictions.
4. The PCC Online system was developed by the EGU and RCIPS.

### VEHICLE AND DRIVERS’ LICENCES

5. The Traffic Act sets rules, regulations and requirements about land transport in the Cayman Islands. It ensures safety by setting requirements for vehicles and drivers before they are allowed on roadways. The Traffic Act established the Director of the Department of Vehicle and Drivers’ Licensing (DVDL) as the licensing authority of the Islands with responsibility for licensing vehicles and drivers, among other functions. The DVDL serves the general public through its three offices on Grand Cayman and one on Cayman Brac.
6. As of 1 January 2022, the Cayman Islands DVDL register shows the following number of active licences: 44,442 vehicles and 56,394 drivers. The DVDL reported that, in 2021, members of the

public renewed 56,174 vehicle licences (2020: 56,219) and 11,310 driver's licences (2020: 10,084).<sup>44</sup> These figures represent a significant portion of the national population.

7. In 2012, the DVDL introduced a limited online service to renew vehicle and driver's licences. In 2018, the DVDL conducted a project to stabilise the online service and address customer complaints and system issues known to DVDL and the Computer Services Department. This was the first step in a programme of activities to further develop its services, including online service. These further enhancements included mass distribution of ESID numbers a new website, new portal for online services. Our audit focused on the stabilisation project. The VDL stabilisation project was developed by the EGU and DVDL.

## TRADE AND BUSINESS LICENCES

8. Individuals and companies carrying out business in the Cayman Islands must obtain a trade and business licence (TBL). The Trade and Business Licensing Act (TBLA) governs the regulation of local businesses and created the Trade and Business Licensing Board (the Board). The TBLA also created the Department of Commerce and Investment (DCI).
9. Under the TBLA, the Board considers applications for new TBLs and decides whether to register or renew TBLs. The Board also decides on suspension, refusal and revocation of licences. The Board is composed of non-executive members and relies on the administrative support of the DCI. The DCI also processes applications, conducts enforcement activities and is authorised to approve renewals of existing licenses.
10. The DCI launched TBL Online in October 2018. The online service allows customers to apply for a new TBL or amend or renew an existing TBL. The DCI recently extended the online service to include renewal (but not new applications) of liquor, music and dance licences. The DCI has separately developed and launched a portal for licensees covered by anti-money regulations on Designated Non-Financial Business and Professions (DNFBP), which is branded as DNFBP Online. TBL Online was developed by the EGU and DCI.

## PLANNING PERMITS

11. Developers, property owners and other players in the property industry need to obtain permissions and approvals, including building permits and certificates of occupancy. The Development and Planning Act regulates planning decisions in the Cayman Islands. The Act established two independent bodies, the Central Planning Authority (CPA) for Grand Cayman and the Development Control Board (DCB) for Cayman Brac and Little Cayman. The Act states that each planning application requires CPA or DCB approval (depending on location). It regulates the building sector

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<sup>44</sup> Based on data snapshot from the DVDL and the Computer Services Department.

and lays out requirements for builders and property owners, including future development. The Department of Planning (DOP) supports the CPA and DCB and grants some planning permission.

12. In 2013, the DOP introduced its first online service, the Inspection Portal System, which automated and shifted to online the booking and payments of inspections required for construction and development. Before this, all transactions were done on paper. In 2018, the DOP introduced a wider suite of online services called the Online Planning System (OPS). The OPS allows customers to apply for permits, submit plans and other requirements, track applications and pay online. The OPS is owned by the DOP and outsourced to a third party.

## APPENDIX 3 – LIST OF GOVERNMENT ONLINE SERVICES

This appendix includes a list of all government online services. It differentiates between those established prior to the e-Government initiative and those that have been developed since 2015. It identifies those that the E-Government Unit (EGU) were involved in developing.

Online Services	Pre-2015 <i>Pre e-Government</i>	2015-2018 <i>eGov and EGU within Cabinet Office</i>	2019-2021 <i>EGU within MCPI</i>	2021 <i>EGU within MIISD</i>	EGU involved
<b>Online services for individuals</b>					
Birth, death and marriage certificates	Launched				
British Overseas Territories Citizen (BOTC) registration, naturalization and proof of nationality			Launched		Yes
Cause list search	Launched				
Civic Centre facilities booking			Launched		
Driver's licenses renewal	Launched	Enhanced			Yes
Financial assistance from Needs Assessment Unit				Launched	Yes
Flight status information	Launched				
Jobs Cayman (replaced National Workforce Development Agency (NWDA) job portal)			Launched		
Judicial Administration Online Public Register		Launched			
Licensed Attorneys search	Launched				
Mobile app park boundaries and mapping of your position (Department of Environment)		Launched	Enhanced		
MyHSA	Launched				
NWDA jobs portal		Launched			Yes
Notaries search		Launched			
Parks and cabanas booking		Launched			Yes

<b>Online Services</b>	<b>Pre-2015</b> <i>Pre e-Government</i>	<b>2015-2018</b> <i>eGov and EGU within Cabinet Office</i>	<b>2019-2021</b> <i>EGU within MCPI</i>	<b>2021</b> <i>EGU within MIISD</i>	<b>EGU involved</b>
Police clearance certificates application		Launched			Yes
Postal package tracking	Launched				
Professional fees renewals such as practicing certificates, notary				Launched	
Public library book search and eBooks	Launched				
Scholarship applications	Launched		Enhanced		Yes
Seafarers register			Launched		Yes
Student and parent portal			Launched	Launched	
Student registration			Launched	Launched	
Submit customs import declarations		Launched			
Taxi fare calculator app			Launched		Yes
Traffic accident report request			Launched		
Traffic tickets payment				Launched	
Travel authorization during COVID pandemic			Launched		Yes <sup>1</sup>
Vehicle licenses renewal	Launched	Enhanced			Yes
Visa requests - visa to visit the Cayman Islands				Launched	
Visitors Extension application			Launched		
Weather	Launched				
Work permit payments			Launched		
<b>Online services for businesses</b>					
.ky domains registration	Launched	Enhanced			
Aircraft registry VP-C Online <ul style="list-style-type: none"> <li>• Submission of due diligence and compliance documentation,</li> <li>• Application and Processing of Private Aircraft Operator</li> </ul>	Launched				

<b>Online Services</b>	<b>Pre-2015</b> <i>Pre e-Government</i>	<b>2015-2018</b> <i>eGov and EGU within Cabinet Office</i>	<b>2019-2021</b> <i>EGU within MCPI</i>	<b>2021</b> <i>EGU within MIISD</i>	<b>EGU involved</b>
<ul style="list-style-type: none"> <li>• Submission of Airworthiness Surveyor documentation, and</li> <li>• Application and processing of Flight crew Licence Validation Certificate.</li> </ul>					
<b>Annual fees payment and filing of returns</b>	Launched	Launched			
<b>Anti-Money Laundering/Know-Your-Customer for Designated Non-Financial Business and Professions (DNFBP Online)</b>			Launched		Yes
<b>Beneficial ownership information filing</b>		Launched			
<b>Building permits - construction project planning permission</b>		Launched			Yes
<b>CAD (Computer-Aided Design) Data Downloads (data services)</b>	Launched				
<b>Cayman Land Info</b>	Launched				
<b>Cayman laws and Gazettes online</b>	Launched				
<b>Caymap web subscription services</b>	Launched				
<b>Country-by-Country Reporting (CbCR) Registration &amp; notifications</b>			Launched		
<b>Cayman Islands Monetary Authority (CIMA) registrations and filings</b>	Launched				
<b>Company register</b>	Launched				
<b>Company registration</b>	Launched				
<b>Construction inspections (Buildings, Electrical and Plumbing)</b>	Launched				
<b>Court filings eFilings</b>			Launched	Enhanced	
<b>Courts cause list search</b>	Launched				
<b>Common Reporting Standard (CRS) Registration &amp; notifications</b>		Launched			Yes <sup>2</sup>
<b>Customs declarations</b>	Launched	Enhanced			
<b>Director portal</b>	Launched				



<b>Online Services</b>	<b>Pre-2015 Pre e- Government</b>	<b>2015-2018 eGov and EGU within Cabinet Office</b>	<b>2019-2021 EGU within MCPI</b>	<b>2021 EGU within MIISD</b>	<b>EGU involved</b>
Directors and officers filing		Launched			
Economics and statistics	Launched				
Foreign Account Tax Compliance Act (FATCA) Registration & notifications		Launched			Yes <sup>2</sup>
Gazette publishing request submission			Launched		Yes
Good standing certificates		Launched			
Lands and Survey Department online services <sup>3</sup>					
Map services			Launched		
Non-profit organisations registrations		Launched			
Registry document services	Launched				
Ship crew registration and validation		Launched			
Shipping/maritime Laws and intelligence	Launched				
Ship's Electronic Statutory Certificate Verification				Launched	
Trade and business licenses		Launched			Yes
Vessel name check and registration	Launched				
Vessel transcripts	Launched				
<b>Online services for Government</b>					
Crime and tips reporting		Launched			
Commission on Standards in Public Life (CSPL) Register of Interests			Launched		
Freedom of information	Launched				
Public Purchasing Portal - Government procurements		Launched			Yes <sup>2</sup>
Vehicle inspections	Launched				

Notes: 1 - EGU involved in Emergency Travel Request; 2 – EGU partially involved; 3 - Includes buffermap quote request, street address locator, parcel change history, document tracking, land registry forms and sales statistics.

## APPENDIX 4 – RECOMMENDATIONS

Recommendation	Management response	Responsibility	Date of planned implementation
<p>1. The Government should revise the e-government strategy to align with good practice.</p>	<p><b>Management accepts the recommendation and notes the following:</b></p> <ul style="list-style-type: none"> <li>• There is a difference between e-government (a process of digitizing government processes) and the eGovernment Unit [EGU]. The EGU is a project partner who assists CIG entities with digitizing processes. All entities in CIG are empowered to digitize their services, and a majority do so without EGU assistance.</li> <li>• EGU is currently working to a strategy focusing on the work within the EGU’s remit, as agreed and funded through budget appropriations to the MIISD and on projects with or for other entities where the requisite funding and resources are available from the business process owner. The EGU strategy referenced includes priorities and projects from the original 2014 Cabinet approved e-Government initiative.</li> </ul>		

Recommendation	Management response	Responsibility	Date of planned implementation
	<p><b>The MIISD and the EGU will undertake to:</b></p> <ul style="list-style-type: none"> <li>• Draft a proposal for the development of a CIG-wide e-Government strategy for Cabinet’s consideration and approval.</li> <li>• Following approval of the proposal, develop a CIG e-government strategy, for Cabinet’s consideration and approval for implementation. (The timeline for development will be dependent upon the scope of the strategy that is identified and agreed, but is expected to be completed within the timeframe approved by Cabinet. Implementation will be subject to the approval of required funding and other requirements).</li> </ul> <p>In the interim, guidance will be issued by the Deputy Governor to EGU and other CIG entities engaged in the development of e-government services, based on best practice and</p>	<p>Chief Officer (CO) Ministry of Investment, Innovation &amp; Social Development (MIISD) and Director e-Government Unit (EGU)</p> <p>Deputy Governor</p>	<p>Draft Proposal submitted by MIISD/EGU for Cabinet Consideration: Q4 2022</p> <p>Draft CIG E-Government Strategy presented to Cabinet for approval: within timeline approved by Cabinet.</p> <p>Q4 2022</p>

Recommendation	Management response	Responsibility	Date of planned implementation
	the accepted recommendations from this e-Government audit report.		
2. The Government should establish clear governance arrangements that provide effective oversight of the e-government programme.	<p>Management agrees the recommendation is best practice, and will:</p> <ul style="list-style-type: none"> <li>• Develop and implement a fit-for-purpose governance framework, as part of the CIG e-government strategy referenced above, the response to Recommendation 1.</li> <li>• EGU will continue to satisfy governance arrangements, in the following ways: <ul style="list-style-type: none"> <li>- Submitting Monthly Cabinet Reports (until a time the Government no longer wishes to receive these reports)</li> <li>- Holding regular meetings between eGovernment Unit and Ministry</li> <li>- Completion of an Annual Report</li> <li>- Using all required project tracking documents as required by CIG procedure and law.</li> </ul> </li> </ul>	<p>CO MIISD and EGU</p> <p>EGU</p>	Implemented and ongoing
3. The Government should adapt the governance framework for major capital projects to develop a governance framework that sets	After reviewing the Major Capital Governance Framework MIISD and EGU are unable to accept the recommendation to action a similar		

Recommendation	Management response	Responsibility	Date of planned implementation
<p>out the key stages, outputs and approval mechanisms for all e-government and IT projects.</p>	<p>document for IT projects. It is noted, for example, that the minimum value of projects to which the MPO framework typically applies is CI\$10M+ whereas many e-government and IT projects are under CI\$0.1M.</p> <p><b>Management Response – RCIPS</b></p> <p>This recommendation is agreed by the SCT. We do provide more effective oversight and direction for projects. This project, as noted, was driven by the EGU and the SCT did not become intricately involved. The SCT will take an active oversight role in all projects affecting or involving the RCIPS in future.</p>		
<p>4. The E-Government Unit should improve its output measures to ensure that they clearly align with, and demonstrate the unit’s contribution to, the strategic objectives for e-government.</p>	<p>Management accepts this recommendation and agrees to take this into consideration when developing output measures for E-Government Unit for the next budget cycle (2024-25).</p>	<p>Director, EGU</p>	<p>Prior to 2024 budget process</p>
<p>5. The Government should assess itself against the United Nations’</p>	<p>Management notes the recommendation, and agrees to</p>	<p>Director EGU, with support from other key stakeholders</p>	<p>Aligned with the response to Recommendation 1</p>

Recommendation	Management response	Responsibility	Date of planned implementation
criteria for e-government programmes and use the results to inform future updates of the e-government strategy.	consider the extent to which the United Nations criteria can inform the development of a CIG e-Government strategy.		
6. The E-Government Unit should finalise an updated E-Government Strategy as soon as possible and ensure that it includes objectives on improving efficiency and joined-up government.	See Response to Recommendation 1 above.	CO MIISD and Director EGU	
7. The Government, including the E-Government Unit and government departments, should clearly identify project sponsors at the outset, and ensure that project sponsors clearly understand their roles and the project management approach to be used so that they are able to provide adequate oversight for all future projects, including holding the project manager(s) and other team members accountable.	<p>Management accepts this recommendation.</p> <p>The Deputy Governor has recently taken the following measures to improve project sponsorship:</p> <ul style="list-style-type: none"> <li>• Provided COs with guidance documents on the responsibilities of project sponsors, to be cascaded to all project sponsors;</li> <li>• Provided access for all COs and DCOs to participate in training in 2022 and 2023 on “The Role of Leaders in the Context of Projects”, which is part of the MasterClass training series facilitated by the SRIU, and</li> </ul>	Deputy Governor (DG)	Implemented



Recommendation	Management response	Responsibility	Date of planned implementation
<p>benefits and risks associated with the project.</p>	<p>considers this recommendation to be implemented for e-Government Unit projects.</p> <ul style="list-style-type: none"> <li>The business case components identified by the OAG are already incorporated within the business case templates approved for use by the Procurement Office for compliance with the Procurement Law.</li> <li>In addition, the MIISD and EGU agree to address the requirement for business cases in the CIG e-government strategy.</li> </ul> <p><b>Management Response – VDL</b> VDL notes that this is already done in compliance with Procurement Legislation.</p>	<p>Director VDL, Risk/Administrative Manager &amp; Business Analyst</p>	<p>Ongoing</p>
<p>9. The Government should ensure that all projects to shift services online have full project plans, which are based on approved cases, and provide further details on the timeline, budget, quality measures, the risks and how the risks will be managed.</p>	<p>Management agrees this recommendation is best practice, and notes the following:</p> <ul style="list-style-type: none"> <li>The EGU will continue to adhere to applicable laws and policies issued, for its projects.</li> <li>However, the introduction of online services is the jurisdiction to the business process owners.</li> <li>The EGU already on a case-by-case basis considers the level of</li> </ul>	<p>Director EGU</p>	<p>Implemented and ongoing</p>



Recommendation	Management response	Responsibility	Date of planned implementation
	<p>detail required in project documentation appropriate to successfully manage the project and utilise accordingly. The EGU uses the business case templates approved by the Procurement Office and project management templates (developed by SRIU) relevant for the scale and complexity of the specific project, for those projects it is involved in.</p> <ul style="list-style-type: none"> <li>• Project management training and templates are available to project teams through the SRIU professional certification programme.</li> <li>• In addition, the Ministry and EGU agree to address project management standards/requirements in the CIG e-government strategy.</li> </ul> <p><b>Management Response – VDL</b></p> <p>VDL is presently hiring an in- house Business Analyst. The BA will</p>	<p>Director VDL, Risk/Administrative Manager &amp; Business Analyst</p>	<p>2022 – Next Project Module</p>

Recommendation	Management response	Responsibility	Date of planned implementation
	<p>formulate and map all of DVDL business process, develop relevant system design documents and set clear scope parameters.</p> <p><b>Management Response – RCIPS</b></p> <p>The SCT will, on a case-by-case basis, review any proposed system changes and determine the level of project management required to successfully complete the project within established parameters and aligned to best practice. It is also noted that the RCIPS did not, at the time of this project, have any qualified Project Managers on staff.</p>	Senior Command Team	
10. The Government should ensure that lessons learned from online services projects are captured, documented and shared with those involved in future projects.	<p>Management agrees this recommendation is best practice, and notes the following:</p> <ul style="list-style-type: none"> <li>• EGU already utilizes the SRIU’s Project Closure templates, which include lessons learned, and will continue to do so.</li> <li>• Requirements regarding the development and sharing of lessons learned will be included as part of the project management standards/requirements of the CIG E-Government Strategy.</li> </ul>	Director, EGU	Implemented and ongoing



Recommendation	Management response	Responsibility	Date of planned implementation
<p>that remediation is in place in all areas where progress is not satisfactory.</p>	<ul style="list-style-type: none"> <li>- Submitting monthly reports to Cabinet</li> <li>- Holding regular meetings between Ministry and Unit</li> <li>- Publishing Annual Reports</li> <li>- Using all required project tracking documents as required by CIG procedure and law.</li> </ul> <p>In addition, requirements for progress reporting will be addressed in the CIG E-Government strategy.</p>		
<p>13. The Government should ensure that it involves customers in the design and testing of online services before they are developed and launched.</p>	<p>Management agrees that this recommendation is best practice, and notes the following:</p> <ul style="list-style-type: none"> <li>• It is already standard practice for EGU to suggest customer testing for the projects it is working on.</li> <li>• However, it is important to note that MIISD and EGU are not involved in the development of all online services. Furthermore, EGU works as a project partner, and is therefore often not the business owner and cannot force a project owner to comply with customer testing.</li> </ul>	<p>CO MIISD and Director EGU</p>	<p>Implemented and ongoing</p>

Recommendation	Management response	Responsibility	Date of planned implementation
	<ul style="list-style-type: none"> <li>• Additionally, EGU already recommends the use of the “Happy or Not” metric, so that post implementation issues can be identified and resolved.</li> <li>• EGU will continue to recommend the use of Customer Testing, and installation of “Happy or Not” metric.</li> </ul> <p>In addition, this requirement will be addressed in the CIG E-Government strategy.</p> <p><b>Management Response – VDL</b></p> <ul style="list-style-type: none"> <li>• The Business Analyst will assist with customer service stakeholder engagement.</li> <li>• In December 2021 DVDL launched the HappyorNot Smiley to our website to gauge customer satisfaction and online services. The data is now available in report</li> </ul>	Deputy Director VDL, Ops Manager	Ongoing

Recommendation	Management response	Responsibility	Date of planned implementation
	<p>format to address customer’s needs in real time.</p> <ul style="list-style-type: none"> <li>• The Customer Service feedback Reports are produced weekly and disseminated to staff or relevant agencies for action.</li> <li>• The report highlights the customer’s service and “Pain Points” with a rating system of five distinct areas, namely, Staff Professionalism, Process, Wait Time, Access to Service, Something Else, and Cost.</li> <li>• The Customer Support Unit (newly created in August 2020), was setup in response to customer driven feedback and desires for telephone based services. Elements are contained in DVDL Change Agenda Report of 2021.</li> <li>• An online Customer Complaint Register has been launched to log complaints and feedback from customers. The VDL Complaints procedure is posted on their website, and provides further advice if the customers are aggrieved with decision. This aspect is</li> </ul>		

Recommendation	Management response	Responsibility	Date of planned implementation
	<p>managed by the Operations Manager.</p> <ul style="list-style-type: none"> <li>• DVDL launched its first Customer Appreciation Day in May 2021 with takeaways and offered customers the opportunity to interact with staff, as well as the advertisement of the online services / products. This will be an annual event.</li> <li>• The Change Agenda of 2021 highlights the significant strides taken by the management of DVDL to improve customer satisfaction. In other words, at the start of January 2021 DVDL had a Happy Index of 76% and by July 2021 we were at 95%.</li> </ul> <p><b>Management Response – RCIPS</b> While the SCT concurs that customer input, as a primary stakeholder, is essential, the SCT must also balance their obligations to ensuring processes are conducted according to statute and do not violate statutes such as the</p>		

Recommendation	Management response	Responsibility	Date of planned implementation
	Data Protection Law. Both legal and reputational risk management considerations often supersede customer requested changes.		
14. The Government should ensure that departments regularly capture and report customer satisfaction levels, as well as customer feedback and complaints, and use these data to inform departmental strategies and continually improve performance.	<p>Management agrees that this recommendation is best practice, and notes the following:</p> <ul style="list-style-type: none"> <li>• The EGU has already sourced, continually recommends and assists online service owners with the implementation of such a tool (HappyOrNot) for capturing both quantitative and qualitative customer satisfaction feedback for all projects EGU is involved with.</li> <li>• This tool is currently in use by ODG for BOTC, NAU for NAU online, WORC for Jobs Cayman, DVDL, GIS for eGazette and it is being setup for other entities.</li> <li>• As a reminder EGU is not the business owner for most online processes and cannot force an entity to implement this tool, they can only recommend.</li> <li>• In addition, the requirement to capture, report and use customer satisfaction levels will be addressed in the CIG E-Government strategy.</li> </ul>	CO, MIISD and Director, EGU	Implemented and ongoing





Recommendation	Management response	Responsibility	Date of planned implementation
	<p>wide model for customer feedback. Additionally, more Smileys have been purchased and coordination for installation within the portal is underway.</p> <p><b>Management Response – RCIPS</b></p> <p>The SCT concurs. As a public service entity with the mission of “Working with our communities, working for our communities,” we understand fully that our customers’ feedback is essential to knowing how we are performing in achieving our mission. We endeavour to capture all such feedback and seek resolution. All such is tracked and responses are provided to the requestor.</p>	Senior Command Team	Implemented and Ongoing
<p>15. The Government should work towards a single website for all online services and in the meantime, it should ensure that all corporate and online services websites are regularly reviewed and updated.</p>	<p>Management agrees that a single <b>portal</b> as the access point for all online services from CIG is the right direction, and notes the following:</p> <ul style="list-style-type: none"> <li>• EGU created this service, called EServices Catalogue, back in 2017.</li> <li>• This catalogue can be accessed at <a href="http://eservices.gov.ky">eservices.gov.ky</a>. EGU is not the business owner and cannot force entities to enrol in this service.</li> </ul>	Director, EGU	Implemented

Recommendation	Management response	Responsibility	Date of planned implementation
	<ul style="list-style-type: none"> <li>To aid this experience the EGU implemented Eservices Sign In in 2021 as a single sign on solution such that customers can move between services seamlessly. Several entities have enrolled over the years, however uptake has been slow.</li> <li>Finally, EGU is deploying a new “My eGov Portal, which will incorporate the enrolled services (catalogue) with additional functionality.</li> </ul> <p><b>Management Response - DOP</b></p> <p>Management accepts this recommendation and notes that the DOP website is currently reviewed and updated frequently by both DOP and BIC (Brac Informatics Centre Ltd).</p> <p><b>Management Response – VDL</b></p> <p>VDL’s online services are already available through the dedicated</p>	<p>Director, EGU</p> <p>DOP Project Manager and BIC</p> <p>Director, Deputy Director, Ops Manager – VDL</p>	<p>ongoing</p> <p>Implemented and ongoing</p> <p>Implemented and Ongoing</p>

Recommendation	Management response	Responsibility	Date of planned implementation
	eServices.gov.ky options for customers, VDL options to improve service delivery will be monitored in conjunction with eGov.		
16. The Government should ensure that all relevant costs are captured, monitored and reported for all projects.	<p>Management accepts the recommendation, in principle, but notes the following:</p> <ul style="list-style-type: none"> <li>• EGU will continue to use required project management reporting documents, and financial reporting templates, as required by CIG Procedure and law.</li> <li>• However, from EGU's perspective, this recommendation could be calling for a review and potential change to the current approach/process of only accounting for 3<sup>rd</sup> party costs. As such this is a CIG wide matter with implications and one of accounting policy, which needs to be determined by the relevant authority. A change may impact capital and depreciation among other things hence implementation</li> </ul>	EGU	



Recommendation	Management response	Responsibility	Date of planned implementation
	<p>internal resources are not currently capitalized and could have a significant impact on asset values and depreciation costs affecting budget allocations.</p> <p><b>Management Response – RCIPS</b></p> <p>The SCT agrees with this suggestion as a best practice. The SCT has already implemented this approach for internally controlled projects.</p>	Senior Command Team	Implemented and Ongoing
<p>17. The Government should ensure that key performance indicators are clearly defined, monitored and reported consistently to ensure that projects improve the quality of services and can demonstrate value for money.</p>	<p>Management accepts this recommendation, and notes the following:</p> <ul style="list-style-type: none"> <li>• This is a matter for the business case, primarily, and has to heavily involve the business process owner.</li> <li>• The identification and use of performance indicators will be addressed in the CIG E-Government strategy.</li> </ul> <p><b>Management Response – VDL</b></p> <p>Management agrees with this recommendation and will conduct analysis of captured system</p>	<p>EGU/Business Case Owners</p> <p>Deputy Director, Ops Manager and Business Analyst</p>	

Recommendation	Management response	Responsibility	Date of planned implementation
	<p>information to assist in the production of valuable KPIs related to business process evaluation. This will assist management in the formulation strategies to improve the quality of services and value for money.</p> <p><b>Management Response – RCIPS</b></p> <p>The SCT agrees with this suggestion as a best practice. The SCT currently defines KPIs for projects in its control, but also acknowledges that we are able to improve in our ability to define and track metrics.</p>	Senior Command Team	Implemented and Ongoing

## **Contact us**

### Physical Address:

3rd Floor Anderson Square  
64 Shedden Road, George Town Grand Cayman

### Mailing Address:

Office of the Auditor General  
P. O. Box 2583 Grand Cayman KY1– 1103  
CAYMAN ISLANDS  
Email: [auditorgeneral@oag.gov.ky](mailto:auditorgeneral@oag.gov.ky)  
T: (345) 244 3211 Fax: (345) 945 7738

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## **Media enquiries**

For enquiries from journalists please contact Angela Cullen at phone number (345) 244 3220 or email: [Angela.Cullen@oag.gov.ky](mailto:Angela.Cullen@oag.gov.ky)

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