



Cayman Islands

**SPECIAL REPORT OF  
THE AUDITOR GENERAL**

**ON**

***LOANS AND EXPENDITURES OF FUNDS AT  
BOATSWAIN'S BEACH***

**Office of the Auditor General  
Cayman Islands  
October 2009**



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## Executive Summary

**1.01** During the election campaign of 2009, it came to the attention of the local media that certain advances to salary had been made to Mr. Joey Ebanks, the previous Managing Director of Boatswain's Beach. There was extensive media coverage regarding the issue and Mr. Ebanks subsequent repayment of these loans.

**1.02** Given the public issues relating to these disclosures, the Office of the Auditor General decided to review the situation. After a preliminary review, it was determined that it would be prudent to issue a report that detailed the process involved regarding these loans.

## Observations

**1.03** Our audit revealed that a series of 16 different loans were advanced to Mr. Ebanks from June 2007 to February 2009. The total owed as of February 2009, including repayments, was \$49,847. In addition to the loans, Mr. Ebanks owed \$1,900 to Boatswain's Beach for the purchase of turtle meat. These loans were repaid on April 2, 2009.

**1.04** Our audit revealed that there was no policy in place to authorize these loans. In addition, our audit revealed that the Board of Directors had not been informed in advance about these loans. In fact, the Board of Directors of Boatswain's Beach was unaware of these loans until Mr. Ebanks resigned in March 2009.

**1.05** I believe that such a situation is inappropriate. I believe that the Board should have been asked to approve these transactions in advance. In not informing the Board, I believe that senior financial management of Boatswain's Beach failed in its fiduciary responsibilities to the Board.

**1.06** I have made several recommendations relating to the issues of salary advances, loans and other financial incentives that I believe should be applied to the entire government sector.

**1.07** In reviewing the issue relating to salary loans, I also was made aware of expenditures made by Mr. Ebanks that had been classified as hospitality expense. I believe that these expenses were inappropriate and were not documented properly.



## **Clearance and Acknowledgements**

**1.08** I have cleared this report in the first instance with Mr. Ebanks and also the senior financial management of Boatswain's Beach. Because of the comments directed concerning them, I gave both individuals the opportunity to provide response to this report. Senior financial management declined to provide a response to this report. Mr. Ebanks originally indicated that he wished to provide a response but did not provide one within the time period agreed to.

**1.09** I have also cleared the report with the past Chair of the Board of Directors of Boatswain's Beach. I have also cleared this report with the current Board of Directors of Boatswain's Beach. Their comments are found at the end of this report.

**1.10** Most of the information relating to the expenses came from the senior financial management of Boatswain's Beach. I would like to thank them for assisting the Office with our various requests for information.

**1.11** I would also like to thank the past Chair of the Board of Directors of Boatswain's Beach, Mr. Joel Walton, for assistance in providing documents and reviewing this report. His assistance has been most valuable.

*Don Duguay*

*Dan Duguay, MBA, FCGA  
Auditor General  
George Town, Grand Cayman  
Cayman Islands*

*21 October 2009*



## **2. Introduction**

**2.01** Cayman Turtle Farm (1983) Limited (the "Turtle Farm") is incorporated in the Cayman Islands and is 100% owned by the Government of the Cayman Islands (the "Government"). Commencing in 2004, the Turtle Farm undertook a major development called The Boatswain's Beach Project, which consists of a marine park and related developments. The marine park includes a shopping bazaar, a turtle interactive area, educational pavilion, hatchery and science laboratory, fresh water pool, saltwater snorkel lagoon, predator tank, a crocodile marsh, a nature trail and aviary. The present operation is most commonly referred to as Boatswain's Beach.

**2.02** Mr. Ebanks became the Chief Operating Officer of Boatswain's Beach in January 2007. He was appointed Managing Director in September 2008. In March 2009, Mr. Joseph Ebanks submitted his resignation to the Board of Directors in order to run in the general elections as a Member of the Legislative Assembly.

**2.03** Upon his resignation the Board of Directors learned that Mr. Ebanks had taken several loans from Boatswain's Beach. This became an issue during the election campaign and it concerns me as to why loans were made to the Managing Director. I believe this has broader implications for Government as a whole in how Statutory Authorities and Government Companies manage salary advances and staff loans. As a result, I started the investigation that culminated in this report to the Legislative Assembly.

## **3. Loans to the Managing Director**

**3.01** During Mr. Ebanks tenure as Managing Director of Boatswain's Beach, there were numerous employee loans extended to him. According to the information provided to us by financial officers of Boatswain's Beach, there were 16 different loans made to Mr. Ebanks from June 2007 until February 2009. The individual value of these loans ranged from a low of \$150 to a high of \$11,319.35. During this period, 20 separate repayments on these loans were made. However, from June 2007 until Mr. Ebanks resigned in March 2009, there was always a loan balance outstanding.

*16 Different  
Loans Made  
to Managing  
Director*



3.02 A summary of the employee loans and repayments is listed below.

Date	Amount Borrowed	Amount Repaid	Amount Outstanding
June 2007	\$4,398.50		\$4398.50
July 2007	0.00	\$549.82	3,848.68
August 2007	0.00	824.73	3,023.95
September 2007	2,500.00	549.82	4,974.13
October 2007	9,797.00	274.91	14,496.22
November 2007	0.00	824.73	13,671.49
December 2007	0.00	274.91	13,396.58
January 2008	0.00	549.82	12,846.76
February 2008	4,398.50	500.00	16,745.26
March 2008	0.00	500.00	16,245.26
April 2008	4,398.50	0.00	20,643.76
May 2008	0.00	1,000.00	19,643.76
June 2008	0.00	0.00	19,643.76
July 2008	3,200.00	3,700.00	19,143.76
August 2008	0.00	0.00	19,143.76
September 2008	15,500.00	3,000.00	31,643.76
October 2008	4,000.00	1,167.00	34,476.76
November 2008	1,000.00	1,808.00	33,668.76
December 2008	0.00	0.00	33,668.76
January 2009	11,679.11	500.00	44,847.87
February 2009	5,000.00	0.00	49,847.87
Total	\$65,871.61	\$16,023.74	\$49,847.87

3.03 In addition to the employee loans noted above, Mr. Ebanks was allowed to buy turtle meat on credit as noted below.

Date	Amount Borrowed
October 2008	\$1,334.00
November 2008	47.00
December 2008	351.00
January 2009	141.00
February 2009	27.00
Total	\$1,900.00





**3.03** In summary, at the end of February 2009, Mr. Ebanks owed the following sums to Boatswain's Beach:

Loans	\$ 49,847.87
Turtle Meat	<u>1,900.00</u>
Total	\$ 51,747.87

This amount was repaid to Boatswain's Beach on April 2, 2009.

#### **4. Employee Loans vs. Salary Advances**

**4.01** Readers will note that I have classified the first 16 items above as "employee loans". However, in media and other reports, these amounts have been characterized as "advances". I believe that the term "advances" is incorrect in describing these transactions.

**4.02** An advance (or more accurately advance on salary) is a well known phrase within government and indeed in the private sector. In the government context of Ministries and Portfolios, advances have been described as monies advanced to an individual in advance of their normal pay period in consideration of some extraordinary event. The key provision for advances in the civil service is that the monies advanced **must be** collected from the next regular pay cheque.

**4.03** So for instance, if a pay advance was issued to an employee on June 10, 2009, the amount of that advance would be recovered from the normal pay cheque issued at the end of June. Readers will note that such a transaction has little risk as any advance is for a very short term only (by definition less than a month) and that the government is at risk for only a short period of time.

**4.04** The amounts advanced to Mr. Ebanks were not repaid in full at month end. Indeed, they were carried forward from month to month with repayments on a semi-regular basis.

**4.05** Therefore, I believe that a better description of the payments made to Mr. Ebanks would be to call them a series of employee loans. I believe that this best describes the nature of these transactions.

*Amounts were  
loans not  
advances*

#### **5. Expectations Relating to Employee Loans**

**5.01** Given the situation that employee loans had been made, we would have expected that Boatswain's Beach would have had policies in place relating to employee loans. In the absence of developed policy, we would have expected that the Board would have reviewed the circumstances relating to these employee loans and approved them in advance.



No policy on  
loans

5.02 We found that neither of these two expectations had been meant. While Boatswain’s Beach did have a policy relating to employee advances, there was no policy in place relating to employees loans. In addition, we were informed by the Chairman of the Board of Directors that they remained unaware of the employee loans to Mr. Ebanks until he had tendered his resignation in March 2009.

## 6. Current Employee Policies at Boatswain’s Beach

6.01 We requested the policies of Boatswain’s Beach relating to salary advances and employee loans. We were provided with the Boatswain’s Beach Employee Handbook that includes policies relating to “Employee Benefits”. This Handbook was dated June 2005.

6.02 Section 301 of the Handbook lists all the employee benefits relating to Boatswain’s Beach employees. One benefit mentioned is salary advances.

The employee handbook section relating to Salary Advances is as follows:

### *317 Salary Advances*

*Boatswain’s Beach and Cayman Turtle Farm has always maintained the policy of assisting staff as and when needed. Only regular full-time employees who have completed their probationary period are eligible to request a salary advance as described in this policy. The amount of the salary advance is limited to the amount of salary earned to the date of the request. The employees’ supervisor must approve each salary advance and only four salary advance per fiscal year will be allowed. Unless prior approval is given by the Managing Director (or any person delegated the authority), all salary advances will be deducted from the employee’s paycheck for the pay period immediately following the salary advance.”*

6.03 There was no policy in the Employee Handbook relating to employee loans.

6.04 As I stated earlier, I do not believe that the transactions with Mr. Ebanks are best described as advances. However, officials of Boatswain’s Beach have always described them as such. Therefore, I believe it is reasonable to assess the monies given to Mr. Ebanks against the approved policy for Boatswain’s Beach relating to advances.

6.05 The most obvious issue relates to the number of salary advances. As I stated previously, there were 16 salary advances in the period June 2007 to February 2009 – a period of less than 2 years. This clearly violates the policy on salary advances of no more than 4 salary advances per year.



**6.06** The second violation relates to the amount borrowed. The salary advance regulation clearly states that an employee can be advanced no more than the amount earned. In my analysis, there were 3 instances where the amount advanced was in excess of the amount earned up to the date of the request for advance.

**6.07** Finally, there is the issue of repayment. These transactions were not deducted from the employee's paycheck immediately. Rather, repayments on the outstanding balance were made semi-regularly.

**6.08** Therefore, it seems clear to me that if these employee loans were considered as advances by staff at Boatswain's Beach, there were numerous and clear violations of the existing policy.

**6.09** However, I believe that the intent of the rules must be as closely reviewed as the actual words themselves. The intent of the paragraph on employee salary advances is quite clear in my opinion. I believe that this policy was intended to help employees in times of financial hardship. However, it was designed in such a way that there would be minimal financial exposure to the organization.

**6.10** Clearly, this did not happen in this case. The effect of the transactions was that significant sums of funds were owed to Boatswain's Beach over a significant period of time.

**6.11** As previously noted, Mr. Ebanks has repaid all loans as of April 2009. However, I believe that Boatswain's Beach management placed financial assets of the organization at risk by allowing these transactions to happen in the first place.

## **7. Was the Board of Directors Informed?**

**7.01** A key concern of mine at the start of this review was whether or not the Board of Directors of Boatswain's Beach was made aware of these financial transactions. In trying to properly understand the series of events, I contacted Mr. Joel Walton who was the Chair of the Board of Directors during the tenure of Mr. Ebanks as Managing Director of Boatswain's Beach. I thank Mr. Walton for providing me with information relating to this issue.



*The Board was  
not informed  
of loans*

**7.02** The Chairman informs me that the Board was not aware of any of the loan or turtle meat transactions prior to Mr. Ebanks resignation in March 2009. The Chairman has stated to me that the Board was only made aware of these transactions when it started the process relating to concluding Mr. Ebanks employment with Boatswain's Beach.

**7.03** To support this position, he has provided me with documentation relating to the process the Board went through after it received the resignation from Mr. Ebanks.

**7.04** I have reviewed the documents given to me by the Chairman. They support the statement made by the Chairman that the Board had no prior knowledge of the loans provided to Mr. Ebanks. I have also asked senior management officials of Boatswain's Beach who confirmed to me that they did not bring these financial matters to the attention of the Board of Directors. Therefore, I conclude that the Board was unaware of these transactions prior to March 2009.

## **8. Should the Board have been informed of these transactions?**

**8.01** I note that the Board was not informed of the financial transactions relating to Mr. Ebanks and therefore it was a surprise to them in March 2009 that Mr. Ebanks owed a substantial sum of money to the organization. The issue that must now be addressed is whether the Board should have been made aware of these circumstances.

**8.02** As previously mentioned, we expected that Boatswain's Beach would have had a policy relating to employee loans. However, they did not. In such a circumstance and in the absence of clear policy, it is the expectation of this Office that the Board should have been made aware of these transactions and approved them. In this section, I will review in more detail why we believe that approval should have been sought before these loans were made.

**8.03** If the senior management of Boatswain's Beach believed that the amounts paid to Mr. Ebanks were advances (as they have portrayed them to me) then they should have realized that their own internal policy had been violated as discussed previously. In such a situation, I believe that senior financial management should have brought the matter to the attention of the Board and sought their guidance.



**8.04** If they believed, as I do, that the amounts paid to Mr. Ebanks constituted a loan, there was even more reason to discuss the matter with the Board of Directors in my opinion. There is no provision in the employee handbook relating to loans for employees and I believe it is reasonable to assume that there was no mandate to give any employee, including the Managing Director, a loan. If such a request was made by the Managing Director or indeed by any employee, I believe that the immediate response of the senior financial management should have been to bring the matter to the Board and to seek guidance.

**8.05** In other words, whether senior financial management believed these amounts to be employee loans or advances is, at the end of the day, not the key point. I believe that in either situation it should have been apparent that the Board of Directors should have been informed. It would have been extremely prudent for senior financial management to not only bring the matter to the attention of the Board of Directors but also to seek their guidance as to what should be done.

**8.06** I find this lack of reporting very disturbing. I remind readers that some of these transactions occurred after the regrettable issuance of a salary advance to Mr. Syed of UCCI was made public in the summer of 2008. In the context of that background and given the policy noted above, the question that must be asked is whether the financial managers of Boatswain's Beach had an obligation to inform the Board of Directors of these transactions.

**8.07** In my opinion, senior financial management had an obligation to inform the Board of Directors. Established policy was either clearly being violated or was not applicable. I believe that there should have been recognition at the senior financial levels of Boatswain's Beach that these loans would be of concern to the Board. In such a circumstance, I would have expected that the senior financial officers would not have approved such transactions until it had been reviewed by the Board. However, this did not happen and the Board remained unaware of these transactions until Mr. Ebanks resigned.

**8.08** In discussing these issues with the senior financial management of Boatswain's Beach, it was brought to my attention that there was no formal mechanism for them to report to the Board of Directors. In addition, senior financial management pointed out that they were uncomfortable with meeting with the Board while the Managing Director was attending meetings.



**8.09** I believe that there is would be some benefit to the concept that Board of Directors should reach out to senior management of organizations to ensure that significant issues be brought to their attention. I think that overall governance could be enhanced if senior management were told by Boards that they would be receptive to concerns brought to their attention by senior management. I encourage Boards of Directors to take steps to ensure that senior management feels comfortable with bringing important matters to their attention.

**8.10** However, I do not believe that this lack of formal mechanisms or discussion should be used as a justification for senior financial management to not bring this issue to the attention of the Board of Directors of Boatswain's Beach. I maintain that it was still the responsibility of senior financial management to realize that there was no policy in place to provide such loans and that the issuance of such loans should have been brought to the attention of the Board for approval.

## **9. No Interest Received on Loans**

*No interest  
received on  
loans*

**9.01** I have one final note to make regarding this situation. Readers will note that these transactions did not incur any interest costs. In effect, Boatswain's Beach was making an interest free loan to its Managing Director over an eighteen month period. During this same period of time, Boatswain's Beach had significant operational deficits and had to expand its lines of credit to ensure that it could pay its day to day bills including monthly salaries. In such an environment, I find it disconcerting that Boatswain's Beach would borrow additional sums, and pay interest on such sums, and then loan them out to a senior official at no interest.

## **10. Loans to Employees Should be Severely Limited**

**10.01** This situation is the second time in recent history that this Office has been made aware of substantial long term loans made to senior management of a government organization. Readers will remember the unfortunate circumstance relating to a long term advance that was given to Mr. Syed of UCCI. With this in mind, I believe that some general comments relating to loans from government entities to employees would be useful.

**10.02** I believe that any government employee, whether within the civil service or an employee of a statutory authority or government company, should not expect to borrow money from the government. There may well be instances when government wants to lend money to its employees. In such cases, a specific program such as post hurricane assistance has been set up. However, except for such programs, I believe that it is fiscally reckless to have Chief Officers or CEO's risk government funds by lending money out to employees.



## **11. Recommendations**

**11.01** I have brought this matter to the attention of the Legislative Assembly not only to provide some understanding and clarity to the situation relating to Mr. Ebanks but also to provide recommendations that I believe should be applied to all government entities.

**11.02** I recommend that all government organizations should have a clear and specific policy on Salary Advances. There is currently a policy which applies to all Ministries and Portfolios of the government, but not to Statutory Authorities. Although Boatswain's Beach has a policy on advances, I believe that it could be clearer in regards to repayment. I believe that **all** government companies and statutory authorities should have a clear statement on salary advances. For guidance, I believe that the government policy for Ministries and Portfolios would be useful as a template.

**11.03** Secondly, I recommend that all government organizations should have a policy relating to loans to employees. Ideally, I believe that such a policy should not allow loans except in approved government schemes run independent of the organization. However, if any government organizations believe that it should provide loans to employees, there should be clear policy direction regarding the circumstance, approval mechanisms and repayments relating to such loans.

**11.04** Third, I recommend that all advances or loans should be brought to the attention of the highest review authority relevant to the organization. For Ministries and Portfolios, this would be the Minister or the appropriate body such as the PAC or other oversight organizations. For statutory authorities and government companies, this should be the Board of Directors or equivalent.

**11.05** Finally, I would recommend that all loans, salary advances or any other incentive to employees beyond regular pay should be disclosed immediately on the Freedom over Information (FOI) website of each organization. I believe that the residents of the Cayman Islands would be well served if each organization were required to reveal the details of these types of transactions in a public forum.



## 12. Hospitality Expenses at the Schooner Bar & Grill

**12.01** After the resignation of Mr. Ebanks, it came to the attention of the Board of Directors that the former Managing Director had substantial outstanding bills at the Schooner Bar and Grill in the amount of \$6,513.92. The Schooner Bar and Grill is the on premise food and beverage facility at Boatswain’s Beach. I was informed by the Chairman of the Board of Directors that the Board had been made aware of the expenses charged to Mr. Ebanks account. The Chair stated that because Mr. Ebanks had a budget for hospitality purposes, the Board decided to not attempt to obtain re-imbusement of these amounts from Mr. Ebanks.

**12.02** I asked senior financial management at Boatswain’s Beach to provide me with a breakdown of the expenses charged to Mr. Ebanks. I was given a schedule of the expenses by month. I then asked for supporting documentation relating to the charges. The next week, I was given a folder with photocopies of the bar tickets from the Schooner Bar & Grill. I asked for expense claims that would document who attended at the various times when charges were incurred and what the purpose of the meeting would be. I was informed that no such documentation existed.

**12.03** The details of the hospitality expenditures are provided below. In summary, I was provided with 55 restaurant tabs for the period between July 2008 and March 2009. The amounts expended by month are as follows:

Month	Purchases
July	\$ 96.60
August	0
September	285.75
October	958.76
November	871.81
December	453.01
January	2,068.27
February	983.57
March	796.15
Total	\$6,513.92

**12.04** It should be noted that staff members of Boatswain’s Beach receive a 25% discount for purchases at the Schooner Bar & Grill. Therefore, the amount that Mr. Ebanks would have owed if he was asked to repay would have been \$ 4,884.86.

**12.05** I have reviewed the various bar tabs. In four cases, a name was mentioned as a guest of Mr. Ebanks. However, in none of the cases was the purpose of the meeting described.





13. Lack of Proper Documentation for Hospitality Costs

13.01 I believe that it reasonable and appropriate for Heads of government organizations to have a small budget for hospitality. There are times when the head of an organization needs to offer some hospitality for visiting dignitaries or other situations. However, I also believe that Heads of organizations should also consider this as spending the money of the residents of the Cayman Islands and should document why hospitality was extended. Therefore, this Office has always taken the view that all expenses relating to hospitality should be supported by a short report that shows both the expenditure made with receipts as well as the persons attending and why hospitality was extended.

No documentation of expenses

13.02 We were informed that there were no such reports on file. The only documentation relating to the expenditure of hospitality funds were the tabs from the Schooner Bar and Grill.

13.03 I find the lack of such documentation inappropriate. Because of the discretionary nature of such transaction, I believe that it is essential that such expenditure be fully explained and documented. The lack of such documentation on a consistent basis over such a long period of time would seem to treat the expenditure of such sums with less than the amount of care expected by the residents of these Islands.

14. Review of Hospitality Expenses

14.01 Due to the lack of proper documentation, I have reviewed the tabs provided to me detailing the expenditures in question in some detail. One immediate observation is that the large majority of expenditures were for either alcoholic beverages or cigarettes. In the table below, I have taken the total of alcohol and cigarette purchases and compared it to the total expenditure

Table with 4 columns: Month, Purchases, Alcohol/Tobacco, Percentage of total expenditure. Rows include months from July to March and a Total row.



**14.02** I understand that there is no government policy that restricts the use of government hospitality funds for the purchase of alcohol or tobacco products. However, I am aware that many organizations, including the Office of the Auditor General, have informal policies that do not allow alcohol to be purchased using government funds. I personally have very strong views on this topic but I will leave it to the readers of this report to make their own determinations as to whether the purchase of significant amounts of alcohol and tobacco products using government funds is reasonable or appropriate.

**14.03** So that readers may appreciate the types of expenditures being discussed, I have decided to illustrate the details of two of the larger bills. The first was a tab that was closed at 11:59 pm on Friday January 9, 2009. This tab had a handwritten note that stated “Mr. Ebanks Tab”.

**14.04** On this tab, there were 60 alcoholic drinks, two packages of cigarettes and one bottle of water. The total amount for this tab was \$279.86 which included the standard 15% gratuity that is added to all Schooner tabs.

**14.05** The second tab was a week later. This tab was closed at 12:31 am on Saturday January 17, 2009. This tab had a handwritten note that read “Mr. Ebanks”. This tab included 63 drinks, 5 other non-alcoholic drinks, 4 appetizers and a dessert. The total amount for this tab was \$344.72 which also included the standard 15% gratuity that is added to all Schooner tabs.

**14.06** There are other examples that may be less than the totals noted above but follow the same pattern. In fact, the average bill was over \$100 and as mentioned the majority of expenditure was for alcoholic beverages.

## **15. Summary**

**15.01** This report has written about the circumstances relating to the departure of Mr. Ebanks from Boatswain’s Beach.

**15.02** I believe that some of the actions noted in this report were inappropriate. I believe that Mr. Ebanks should not have requested loans from his employer. I believe that both the Managing Director and senior financial management failed in their fiduciary responsibility to the Board by not bringing these matters to them for consideration and approval. And finally, I believe that hospitality funds were used inappropriately and were not documented properly.

**15.03** I also believe that the lessons learned here that would serve the larger interest of the Cayman Islands well. These include the recommendations made earlier relating to loans and advances.



**15.04** I would also like to comment in more detail on the inaction of senior financial officials of Boatswain's Beach. We have had two experiences in the last year where the judgment of senior financial managers has been called into question. The first was the unfortunate situation at UCCI which resulted in the dismissal of the senior financial officer. In the situation of Boatswain's Beach, I have made substantial comments where I believe that the senior financial manager had a responsibility to bring certain matters to the attention of the Board of Directors.

**15.05** While I have made specific recommendations in this report, I have, in the course of auditing other government organizations, had other concerns regarding the transparency of these types of transactions and the fact that they continue to occur with no clear accountability. I congratulate the new Board of Directors of Boatswain's Beach for taking swift action to ensure that a similar situation will not reoccur.

**15.06** It is my opinion that senior financial management in all government entities has a responsibility to exercise prudent professional judgment and to provide the desirable transparency for financial transactions that are unusual in nature and not covered under existing policy. They should do this by informing the governing bodies in their organization of the existence and nature of these transactions.

**15.07** It is my opinion that the governing bodies of government entities expect this type of transparency from their senior financial management. In the situation regarding the employee loans to Mr. Ebanks, it is my conclusion that the senior financial management did not do that.

#### ***Comments of the Current Board of Directors***

*The current board of directors appreciates the opportunity to review and make comments to this report before it is released to the public and thus we have noted the content and recommendations presented. The members of the current board are committed to ensuring that the necessary policies and administrative changes are put in place to guarantee that best practices are followed with an emphasis being placed on accountability at all levels of the organization. To this end, the Board of Directors has already implemented significant policy changes, in advance of this report that directly relate to the recommendations contained in this document. One of the policy changes that directly relates to this report, is the requirement that all disbursement of funds to employees other than that which is contractually due to the employee, must receive prior approval of the Board of Directors. This policy will be incorporated in the Employee Handbook which is currently under review.*

