**Statement by the Ministry of Education, Employment & Gender Affairs on the**

**Auditor General’s Report “Major Capital Projects – Building Schools”**

The Ministry of Education, Employment and Gender Affairs acknowledges the report by the Auditor General’s Office entitled “Major Capital Projects – Building Schools”. The report covers the New High Schools Construction Project which includes the Clifton Hunter High School completion, John Gray High School part-completion and initial works done on the Beulah Smith High School in West Bay. The Audit also addresses the Primary Schools Construction Project which involved new classroom and administration blocks at 4 primary schools, namely Bodden Town Primary, George Town Primary, Savannah Primary and Sir John A. Cumber Primary schools, and smaller projects at East End Primary and Layman E Scott Snr. High School in Cayman Brac.

The Ministry recognizes the importance of the work of the Auditor General’s Office in helping to improve governance and management of capital works projects. The Auditor General has made two recommendations as a result of this audit, one of which states “The Government should carry out an assessment of the John Gray High School project site and develop a strategy to manage its risks and future development before Cabinet is requested to approve further funding.” The Ministry has accepted the recommendation that an assessment of the John Gray High School project site should be carried out and a strategy developed to manage its risks and future development. The Ministry further confirms that this approach is being factored in to the process required by the Framework for Fiscal Responsibility (FFR) now embedded in the Public Management and Finance Law as it seeks to complete construction of that school.

The other recommendation included in the report speaks to the changing governance framework across all of government in order to improve transparency of planning and budgeting processes and improve greater accountability for major capital projects. While it does not require a Ministry of Education response because it is a system-wide recommendation, the Ministry supports all efforts to improve transparency and accountability, thus why we deemed it necessary to provide a statement to the Auditor General’s report.

As such, the Ministry of Education will be following the same approach being utilized by other Ministries in carrying out major capital works, including the formation of a project steering committee, development of substantiated business cases and in securing project management services from Government’s centrally operated Project Management Office, under the Public Works Department (PWD PMO).

While the Ministry generally agrees with the Auditor General’s recommendation identified above, the Ministry does not agree with all of the findings of the report. As a result, there are several areas for which we intend to provide explanation/context when the report is brought before the Public Accounts Committee (PAC) for review. However, the Ministry is committed to working with the Auditor General’s Office and other relevant agencies to ensure improvements in the management of its capital works projects and its performance in related future audits.

The Ministry would also like to point out the very challenging context in which the high school project was delivered, as alluded to by the auditors. For example, the impact of the very difficult contractual situation between Government and Tom Jones International (TJI) cannot be understated, with the related legal matters finally being settled in March 2013. The Ministry however also had to address the underlying issues on the project, which left the project with a new set of legal and construction related challenges due to the inherited complexities introduced. The Ministry had to apply a significant amount of time and human resources to address these issues, while simultaneously continuing to address its core responsibilities, all while being under-resourced. It would be fair to say that even the legal and other consultants involved (who possessed the required qualifications) were challenged by the complexity of the project and its related issues. It should also be noted that although the Auditor General’s Report is being presented in 2015, it refers mainly to activities from 2008 – 2013. The phase 1 audit report was presented in 2012 and at the time the projects were substantially complete, and therefore there was no opportunity for the Ministry to apply the guidance provided therein. In addition, The FFR, which has introduced the requirement for making a case for projects in line with the audit criteria applied in this report, was also developed in 2012.

The Clifton Hunter High School Project was conceived to provide improved learning spaces for our students, while providing increased space overall, and with the added benefit of placing the school in the eastern districts to alleviate traffic and related concerns. The project also delivered hurricane rated buildings and significantly increased hurricane shelter capacity in the eastern districts. The project was also intended to be used as a community resource and has been made available for that purpose.

The Primary School Project was initiated because aspects of the physical school setting were interfering with optimal teaching and learning and/or student life. There was also a need for additional space at several schools to cope with rising enrolments and to provide much needed administration space; and there was also a large stock of modular classrooms that existed across the education system, that were raising health concerns for our students and teachers and contributing to increased energy costs relating to their operation as additional buildings. This entire project added 56,128 sq. ft. of learning and administrative space for our schools and cost a total of CI$13.4million. Therefore the intrinsic and perhaps financially unquantifiable value brought to the teachers, students and parents of the education system by the Primary Schools Project cannot be minimised.

The Ministry of Education, Employment & Gender Affairs is committed to making continuous improvements to its procurement practices. The findings of the Auditor General’s Office are therefore being taken seriously and are being reviewed to ensure that we apply the lessons learned with aim to improving management outcomes and record keeping as well as outcomes of future audits of the Ministry’s capital works projects.