



SPECIAL REVIEW

OF

THE GOVERNMENT OF MONTSERRAT'S RESPONSE

TO THE COVID-19 PANDEMIC

PROCUREMENT OF THE CUBAN MEDICAL BRIGADE

LESSONS-LEARNED REPORT



Office of the Auditor General
July 2022

THE PROCUREMENT OF THE CUBAN MEDICAL BRIGADE

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

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PREAMBLE

Vision Statement

“To be a proactive Supreme Audit Institution that helps the nation makes good use of its resources”.

Mission Statement

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

The Goal

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

**PROCUREMENT OF THE CUBAN MEDICAL BRIGADE
MARCH 2020 TO MARCH 2021**

LESSONS-LEARNED REPORT

Description and Key Lessons Learned	
<p>Background</p> <p>Brief Description of the Cuban Medical Brigade</p>	<p>In December, 2019, the World Health Organisation confirmed the emergence of the new Corona Virus (SARS-COV2) in Wuhan, China. Within two months, the W.H.O. proclaimed a global pandemic of this infectious respiratory illness. In early March, 2020, the first identified case of COVID-19 was confirmed in Montserrat.</p> <p>From the time that the W.H.O.'s reporting mechanisms alerted Governments worldwide about this new rapidly spreading disease, the Ministry of Health and Social Services in Montserrat began to plan for the local mitigation of risks of a COVID-19 pandemic. The Government of Montserrat requested the assistance of the Cuban Government in providing doctors and nurses to Montserrat. Initial contact was made by a Memorandum dated March 18th, 2020, through the OECS. The Director, External Affairs, Office of the Premier, Montserrat approached the Cuban Ambassador in St. Lucia by email dated April 30th, 2020. By email on May 2nd, 2020, the Deputy President of Cuban Medical Services, confirmed their availability. A contract was signed on July 14th, 2020, for 13 medical professionals: 5 doctors and 8 nurses. Their actual date of arrival in Montserrat was July 21st, 2020.</p>
<p>Review Objective, Scope, Methodology & Standards Used</p>	<p>In exercising its mandate under the Constitution Order, 2010, the Office of the Auditor General performed a review of the Government of Montserrat's Response to COVID-19 as part of its annual financial audits of the Public Accounts. This brief report represents a summary of some</p>

	<p>additional work done to review a subs-set of that information and the available evidence for the early period of the pandemic.</p> <p>Our objective in this review was to determine whether the Government’s handling of the Cuban Medical Brigade followed relevant best practices and regulations. We sought, in particular, to identify areas of weakness and lessons learned that could be applied to continue to strengthen the system of public health on the island.</p> <p>The broader financial audit was performed during fiscal year 2020/2021 and published in fiscal year 2021/2022 according to relevant international standards for Supreme Audit Institutions. This sub-study reviewed the activities performed by the Ministry of Health and Social Services related to the Cuban Medical Brigade (c. March, 2020, to July, 2020). To accomplish the review’s objective, we:</p> <ul style="list-style-type: none"> • <i>Reviewed applicable laws and regulations related to financial management and procurement.</i> • <i>Reviewed documents submitted from Ministries & Departments and literature review relating to public responses to COVID-19.</i> • <i>Corresponded with Ministry of Health and other officials to determine actions taken prior to, during, or after the arrival of the Cuban Medical Brigade in Montserrat.</i>
<p>Key Successes Highlighted</p>	<ul style="list-style-type: none"> • The Ministry of Health succeeded in procuring 13 medical professionals to fill some of the chronic nursing gaps along with specialist medical positions in Montserrat. At the peak of the support, April to June, 2021, the number of Cuban healthcare professionals surged to 20 persons. Thereafter, the contingent was reduced to 10 persons. • The Ministry of Health acted early to seek additional resources before any major impact from the global pandemic arose in Montserrat. • The focus was on prevention and mitigation, seeking to avoid the casualties experienced by many other countries around the world. • The Government of Montserrat has earned revenues of approximately \$83,000 from patients who benefitted from the work

of the Cuban medical specialists (especially in obstetrics and gynaecology). Data from the Ministry of Health show that these directly related fees totalled \$39,200 in fiscal year 2020/2021 and \$43,511 in fiscal year 2021/2022.

- The biggest quantitative benefit of all was that the Government and the people of Montserrat achieved large cost-savings through employing the medical doctors contracted with the Government of Cuba versus the GOM's regular market-rates otherwise applied to recruiting these categories of workers (plus the costs of prolonged vacancies). For example, at the GOM's regular market-rates, the cost of recruiting 5 medical doctors alone would have exceeded E.C.\$1.5 million per year (salaries only). For a similar sum, for the period of July, 2020, to March, 2021, the GOM obtained 5 doctors plus 8 nurses from Cuba (including salaries, accommodation, meals, transportation and incidentals).
- Further major cost-savings were achieved through lower renegotiated rates for Cuban medics in the second contract-term (mid-October, 2020, to March, 2021). The salaries for 13 persons (5 doctors/specialists and 8 nurses) reduced from a total of 33,500 Euros per month to U.S.\$24,500 per month.
- A major qualitative benefit was that the people of Montserrat enjoyed access to several medical services on the island (and either at low fees or, in most cases, at no direct charge to patients). Data from the Ministry of Health showed that the 5 Cuban specialists handled a total of 774 patient-visits during year #1 (effectively, 9 months: July, 2020, to March, 2021) and 1,690 patient visits during year #2 (April, 2021, to March, 2022). These figures are for Specialist Clinics alone, and do not include all the patient-visits that the Cuban doctors provided at the Glendon Hospital's wards or at the District Clinics.
- Furthermore, there were major savings to persons who would otherwise have had to travel overseas to obtain these services. For the Government of Montserrat, the cost of procuring the Cuban Medical Brigade to serve locally compares favourably with the high costs for medical evacuations and with the total costs incurred from referrals to overseas medical specialists (e.g., airfares, accommodation, transportation, meals, incidentals, medical fees, and other costs). For instance, during April to June, 2022, there were six medical evacuations from Montserrat with airfares ranging from

	<p>\$3,051 to more than \$48,000, and totalling over \$78,000. The total related costs of medical interventions exceeded \$210,000, bringing the average total cost per medical evacuation to nearly \$50,000.</p> <ul style="list-style-type: none"> • Local interventions by Cuban specialists also served to reduce/prevent some high-risk medical cases from worsening or reaching a critical stage that would require high-cost treatments locally and/or medical evacuation overseas. Data from the Ministry of Health indicate that the number of medical evacuations from Montserrat declined approximately 50% during the past 2 fiscal years (2020/2021 and 2021/2022), the period that the Cuban specialists were on the island, compared with the number of medical evacuations from Montserrat in the two prior years (2019/2020 and 2018/2019). This represents cumulative cost-savings in the hundreds of thousands of dollars. • During the global COVID-19 pandemic, additional public-health and personal-health benefits were obtained directly and indirectly through serving persons locally (where, in most months, there were few to no active cases of COVID-19) rather than exposing patients to the heightened risks of infection through travel to/through countries with much larger populations and high numbers of active cases of COVID-19. • The Ministry of Health successfully negotiated the extending the duration of the Cuban medical support in Montserrat from the initial contract-term of 3 months (commencing mid-July, 2020) to nearly two years (concluding March 31, 2022), while progressively reducing all of the per-person costs (e.g., salaries, cost of accommodation, transportation, meals, etc.).
<p>Key Losses, Impacts or Shortcomings</p>	<ul style="list-style-type: none"> • Large amounts were spent on local transportation: the cumulative amounts for July to October, 2020, alone exceeded \$108,000. By February, 2021, the cumulative total exceeded E.C.\$190,000. • Most of the transportation was procured from only two providers. • By contrast, broader equity was achieved in the catering of meals, which was distributed across several providers.

<p>Lessons Learned</p>	<p>Finding #1: Several months passed between [a] the identification of gaps in local medical capacity in preparation for, and response to, the pandemic, and [b] the arrival of the first corps of physicians and nurses from Cuba. Negotiations were also constrained by available budgetary resources for the Ministry of Health.</p> <p>Finding #2: Large sums were charged to the Government of Montserrat for local transportation of the Cuban medical workers. The Ministry of Health has explained that, during the early months of the pandemic, extra precautions were taken to safeguard the medical professionals through dedicated transportation-services, which provided a travel-bubble. Special arrangements for transportation were also necessary to accommodate the various shifts at the hospital, at clinics, and elsewhere, some of which involved long waiting times between incoming and outgoing personnel, and also included work-times that do not correspond with normal bus-services during 8 a.m. to 4 p.m. By contrast, the cost of transportation by members of the Defence Force was the incremental actual cost of gasoline/diesel only.</p> <p>Finding #3: The bulk of the outsourced transportation-services went to only two providers. However, many providers of transportation are available in Montserrat. Furthermore, the Ministry of Health explained that its drivers were available but that its few buses/vehicles were already deployed by other entities. The Procurement Unit confirmed that it was not consulted or engaged in any aspect of this procurement.</p> <p>Finding #4: Transportation was outsourced without following normal procedures for public procurement. Public advertising of services desired and competitive auctions via sealed bids are best practices for amounts exceeding a stipulated threshold (e.g., \$10,000) and are required for those exceeding legislated thresholds (e.g., \$75,000). The Procurement Unit confirmed that it was not consulted or engaged in any aspect of this procurement.</p> <p>Finding #5: The Ministry of Health complied with rates of income-tax prescribed by the Inland Revenue Department and the Treasury</p>

Department exercised strong controls to ensure that applicable tax-withholdings were applied on payments to service-providers, including caterers and landlords. A tax-withholding was shown in some of the service-providers' invoices (e.g., 10% of rents for accommodation), but this was not consistently practised by all payees. In such cases, internal controls at the Treasury Department ensure that applicable withholding rates of tax are applied at the time that service-providers were paid.

However, most persons in the public service (and many within the broader workforce) have a marginal income-tax rate of 30%. Where service-providers are current public servants, any additional services procured from public officers in a personal/unincorporated business capacity are additional personal income taxable at the providers' highest marginal personal income-tax rates. Given the size of contracts, as well as their cumulative sums over a given year, some service-providers would also reach the threshold for 40% personal income-tax. Smaller rates were deducted, in accordance with the Income Tax Act, on some services (e.g., 2% for food-catering services). In other instances, rental of movable items should have had tax withheld at 20% but was showing only 10% deduction. Generally, compliance was very good in this area.

Finding #6: Comparison of some service-providers' invoices to the Government of Montserrat (e.g., transportation, rents, meals) with regular rates from other providers revealed evidence of a few instances of likely over-charging to pre-empt the tax-withholding of 10%. The net effect was that the Government was charged more than usual rates, both before and after taking account of the 10% tax-withholding. The Treasury Department has confirmed that it has had similar conclusions in some instances.

Finding #7: The prices charged for bulk services/orders were sometimes relatively high compared with regular menu-prices, rents, and other charges well known in local markets. Often, providers were selected from internal lists (e.g., the Human Resource Management Unit's list of accommodation-providers was used to select landlords for the Cuban Medical Brigade) and/or based on the Ministry's past experiences with them (e.g., caterers). The Procurement Unit confirmed that it was not consulted or engaged in any aspect of these procurements.

Finding #8: Sums for transportation (during year 2020) showed wide variations in the rate per day and the rate per hour. E.g., hourly rates were as high as E.C.\$150 to E.C.\$300. In later periods, we found that the Ministry of Health successfully procured transportation for medical staff at a much-reduced rate of E.C.\$65 per day.

Finding #9: Sums for transportation showed wide variations in the rate of renting a vehicle per day versus the rate per hour for outsourced driving. E.g., hourly rates were as high as E.C.\$150 to E.C.\$300 whilst the rate of rental for a vehicle was only E.C.\$108.00 per day.

Finding #10: Some logistical services were provided by the Royal Montserrat Defence Force to transport members of the Cuban Medical team as well as to deliver their meals. Invoices from the RMDF to the Ministry of Health and Social Services included dates and names of officers who provided such services. However, several details were missing: e.g.,

[a] Exactly how many hours each officer provided these services;

[b] Exactly which day(s) each officer provided these services;

[c] The rate per hour/day per officer per service.

Therefore, it was unclear [a] how the figures charged were computed and [b] how the certifying public officers were able to assess and to approve these invoices. The Ministry of Health has explained that the Defence Force has set rates, by grade of officer, that are per day and not per hour.

Finding #11: Some invoices to the Government included items that were not necessary for the public services required. For example, one service-provider's invoice to the Ministry of Health in and for August, 2020, included a tour to Plymouth. The price of this discretionary item was conflated with the price of providing transportation to the Cuban healthcare workers to visit the clinics on the island. It was, therefore, unclear how many billable hours were for the excursion to Plymouth versus how many billable hours were for the visit to the clinics.

	<p>Finding #12: Some public officers provided, and were paid or charged the Government for, goods and services for the Cuban Medical Brigade. The General Orders for the Public Service and best practices against corruption usually require/recommend that full-time employees of the Government of Montserrat be dedicated to their occupation in the public service. However, there was good interdepartmental co-operation in the assignment of officers to provide specified services to the Cuban Medical Brigade.</p> <p>Finding #13: In most cases that we reviewed, invoices were certified for payment. However, in several cases, including some amounts ranging from \$1,000 to more than \$5,000, the invoices that we reviewed showed no evidence of review or certification before payment. Subsequent checks with the Treasury Department confirmed, nevertheless, that invoices were certified and reviewed by the time of payment. The evidence points to some lags in the processing of invoices between their receipt by the relevant Ministry/Department and their final review and certification. The lags in this study were greater because payments related to the Government’s response to COVID-19 were centralised within the Ministry of Finance (and not, for instance, the Ministry of Health). Hence, each payment of this category required specific approval prior to disbursement of funds from the special account kept for this purpose to track the emergency funds received from the British Government and how they were used.</p>
<p>Recommendations</p>	<p>Lesson #1: Proactively establish and maintain strategic partnerships with regional and extra-regional Governments, agencies, and other stakeholders to ensure early identification, availability, and costs of supplementary medical workers. Strategically diversify sources of goods/services/personnel to address and to mitigate likely shocks to supply-chains and other contingencies observed during the pandemic.</p> <p>Lesson #2: The large number of existing drivers and vehicles within the public sector could be used more efficiently and effectively in the national interest at little or no additional costs. Greater interdepartmental coordination and oversight are required to ensure</p>

that the available vehicles and drivers are allocated optimally to provide the best service and outcomes at the lowest costs per unit of output/person served. E.g., even in cases of secondment/sharing, a given vehicle might be shared by two or more departments in complementary ways: for instance, one use might be for food-deliveries or home-visits during daylight hours or the main work-day, whilst another use of the same vehicle could be dedicated to transportation of medical employees for early morning and night shifts.

Lesson #3: The first call should be on persons who are already paid drivers within the public service. Wherever supplementary drivers are required, additional reserves are available within the public service, including the embodiment of the Royal Montserrat Defence Force, which has a long history of assisting in times of disaster and of national crisis.

Lesson #4(a): Even in times of emergency, there are opportunities, both in preparation for potential crises, and after crises arrive, to use pre-qualified service-providers at short notice. However, times of crisis and instances of new or unusual procurement are all the more important times to seek the advice and the inputs of the Procurement Unit. Indeed, the public-health protocols of the past two years encouraged the widest use of electronic channels for communication and for advertising of public procurement. The established procurement-platforms increase the visibility of contracts to be awarded, while minimising the cost of procurement (including the cost of the advertising of goods and services desired).

Lesson #4(b): Where the sums of contracts to be awarded exceed the stipulated thresholds, all desired public procurement should be advertised on multiple established channels. This is important for transparency and accountability of the Government. It is also important in seeking to honour the principle of economy, where products and services of the desired quality are obtained at the best available or negotiable prices. Even in matters of regular procurement, it is best practice to seek the advice and the inputs of the Procurement Unit.

Lesson #5: The withholding tax-rate of 30% is more appropriate than 10% (or less) in these cases (services from unincorporated businesses or

persons). The schedule of standard rates is for guidance, but it is not appropriate to every case. For the benefit of available expertise, Departments should consult with the Inland Revenue Department regarding the most appropriate rate and treatment of each such case.

Lesson #6: The Government should establish a schedule of fair and reasonable rates and prices for commonly procured products and services. Deviations should be flagged immediately for investigation, review, and negotiation. The sharing of price-data and experiences across Ministries/Departments would benefit all participants by ensuring a broader and deeper range of inputs into procurement-decisions, a better assessment of suppliers over time, and more accountability for service-providers.

Lesson #7: The Government should negotiate more favourable rates and prices for specified products, accommodation, and services, given its size as a client in comparison with other clients of the service-providers. Group-rates and appropriate group/quantity discounts should be pursued in all cases. E.g., multiple bookings for meals; multiple rentals of apartments; transportation of groups versus individuals. Better rates could also be obtained for longer-term contracts versus ad-hoc orders or short-term contracts: e.g., smaller regular purchases are seen in the context of their annual totals and not as separate/unrelated purchases.

Opportunities also exist for Ministries/Departments to collaborate more often to achieve greater economies of scale by joint purchases and by pooling of orders, especially for frequently used items and commonly used goods/services (e.g., cleaning products; stationery; office supplies; furniture; equipment; transportation; personal protective equipment; masks; and some types of training).

Lesson #8: The Government should be vigilant against price-gouging whereas one provider charged 200% of the rate charged by another provider.

Lesson #9: The Government should compare and assess the various options for procurement of each product/service to achieve the best balance of quality, quantity, and price per unit. In this case, the rental of vehicles was a small fraction of the cost of outsourcing transportation

to private drivers. Rental of vehicles (if necessary at all, given the large number of vehicles within the public sector) allows for unlimited use per day, whilst procurement of private transportation incurred a separate charge for each hour and faced limited hours of service per day.

Lesson #10: The procuring Ministry/Department, in each case, should hold service-providers accountable for verifiable evidence of services actually provided. All service-providers should be informed of the required information to meet standards of Government procurement and accounting. Such basic details will assist all Departments in assessing past procurement, in planning future procurement, and in satisfying the requirements for both internal audits and external audits.

Lesson #11: Certifying officers should ensure that invoices provide adequate detail, transparency, and accountability for all services and goods procured for the Government. Best practice includes initiating each external buy-transaction with an official Purchase Order approved by the relevant Accounting Officer. Further accountability is achieved by ensuring that suppliers quote the relevant unique serial Purchase Order number(s) in their invoices.

Lesson #12 [a]: In the interest of national development, in line with the Sustainable Development Plan (2008 to 2020), Goal #1, micro-enterprises and entrepreneurship are encouraged. Because much of the workforce is public servants, many small businesses will include public servants, as owners and/or as employees/contractors/sub-contractors. However, all public procurement requires due process, including obtaining at least 2 or 3 quotations from suitable providers. Larger sums require public advertising of procurement and the invitation of sealed bids for supply of public goods/services.

Nevertheless, given the low cost and ease of using the electronic platforms and channels, and for gaining the advice of the Procurement Unit, even regular or standard procurements should be advertised routinely for greater transparency of public purchases/contracts, to identify new providers, and to encourage a wider pool of suppliers.

An objective review by an independent committee ensures that all bids meeting the specified requirements compete fairly for awards of public contracts.

Lesson #12 [b]: Unincorporated and personal businesses are treated, for income taxes, as personal incomes to the public officers, who are subject to a marginal tax-rate of 30%. By having a 30% income-tax withholding, persons providing goods and services to the Government outside their regular salaried jobs would be fully accountable for their additional incomes. The amounts so withheld would be deemed as prepaid tax-credits, which would then be applied on the annual income-tax returns of such officers, and be deducted from any amount of income tax otherwise payable by them. This would also provide another incentive for service-providers to complete and to file annual tax-returns in order to recoup any amounts of income-tax prepaid and exceeding their net taxes payable for the relevant year(s) of income. Departments should consult with the Inland Revenue Department in each such case for confirmation of the most appropriate tax-rate and treatment.

Lesson #13: Prior to the payment of any invoice, an appropriate certifying officer should review the details of each charge, and sign and stamp the invoice accordingly. This is easily accomplished for the majority of invoices (which suppliers continue to submit in physical form). Appropriate procedures could be adopted [a] for online submission of invoices, [b] for electronic signatures and certifications, and/or [c] physical signing and then scanning of reviewed and certified invoices for uploading to Smart Stream and other departmental records.

We further recommend that Accounting Officers and Heads of Department review their processes, from receipt of invoices/statements to final payments, to minimise lags at each stage. Certification will be most effective when it is done promptly upon receipt of invoices, when the details of transactions, goods, and services, et cetera, will be fresh in mind, rather than deferring those steps until the time of payment (which, in several cases, could be weeks or even months later).

**Management
Response**

**Permanent Secretary
Ministry of Health and Social Services**

Lessons Learned:

Findings #3 & #4 - At the onset, quotations were sought from two providers based primarily on the quality of the service required and the types of vehicles required. The initial quotations were not in excess of the authorised limits and, at the time of procuring external transportation arrangements, the island was in emergency mode. Owing to the terms of the Cuban Technical Cooperation agreement, the selection of transportation providers had to be limited to ensure that the Cuban Medical Brigade was protected. In its implementation, the costs increased as there were lengthy hand-over periods between shifts as the initial language barriers presented a challenge. The cost of providing this service ballooned as a result of unforeseen circumstances. In addition, the Drivers for the Ministry of Health had already assigned duties which would have been negatively impacted by attempting accommodate the transporting of the Cubans. This was also impacted by the fact that the vehicles are also otherwise engaged with the activities of the Hospital.

Finding #5 - With regards to the amounts deducted for tax, the Ministry of Health & Social Services seeks the guidance of the Inland Revenue Department and the Treasury Department. The Inland Revenue Department is the sole competent authority on all matters relating to taxation on island. In keeping with Section 38 (1) of the Income Tax Act CAP.17.01, "where the Accountant General or any officer makes any payment to any person on behalf of the Government in pursuance of a contract other than a contract exempted by the Governor in Council by Order the Accountant General or the officer, as the case may be, shall deduct fifteen percent as may be determined by the Comptroller and pay the amount so deducted to the Comptroller." Consequently, it was not in the authority of the Ministry to determine that it can deduct more than is legally permissible for "rental of movable items". The Ministry would have deducted taxes based on the existing protocols.

	<p>Finding #6 - The Ministry is unsure of the rationale for this assertion as no evidence was provided to support this. The rates for the provision of services were regular rates in keeping with local market rates.</p> <p>Finding #7 - The Ministry is unsure of the rationale for this assertion as no evidence was provided to support this. The rates for the provision of services were regular rates in keeping with local market rates. The Ministry also has an internal list of persons with properties for rent.</p> <p>Finding #8 - The rate of payment is determined by the size of the buses. This rate is not uncommon and has been charged by providers when this service is provided to other Ministries & Departments.</p> <p>Finding #9 - While it would appear that it was more cost effective to rent a vehicle instead of using the bus services which were engaged, this assertion does not consider the fact that a driver would have been needed for the rented vehicle. In addition, based on the number of Cubans, several rented vehicles would have been required as well as sourcing persons suitable to drive said vehicles as the Cubans were not comfortable or willing to drive themselves. Taking these circumstances into consideration, this option may have not been more cost effective.</p> <p>Finding #11 - On the arrival of the first Brigade on 21 July 2022, and, following on their period of quarantine, the Ministry thought it prudent to not only show the Primary Healthcare centres but also to provide some perspective of all that has been lost as a result of volcanic destruction. Therefore, while this journey to Plymouth has been described as discretionary, it is no different to those which are provided for newly engaged staff within the Government of Montserrat.</p> <p>Finding # 12 - This finding proves challenging to accept particularly as the Government of Montserrat is the largest single employer on island. It stands to reason therefore that employees of GoM will, in their private capacity, offer goods &/services for consumption which cannot be otherwise sourced in the private sector.</p>
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Finding #13 - The Method of approval was such that there was blanket approval by the Permanent Secretary, MoHSS, and this was sent electronically -to the Honourable Financial Secretary via electronic mail.

Recommendations

Lesson #1 - In normal circumstances, the recommendation would have sufficed. However, this was an emergency situation. It had to be dealt with under the circumstances and therefore the Ministry maintains strategic partnerships as a matter of practice with various agencies and international governments but this does not preclude any delays in negotiations. The Ministry has no control over the operations of external providers of services.

Lesson #2 - In keeping with the initial signed Cooperation Agreement dated July 14th, 2020, between the Government of Montserrat and the Republic of Cuba, Clause 1 : Conditions for Cooperation/ Collaboration Section 1 .4 states, "the Montserrat Party shall ensure that during the presence of Cuban health personnel in that territory, the cost of migration, international and national transportation, accommodation and food shall be borne by the Montserrat Party; *and that the Cuban health personnel be provided with the technical means of protection and the required epidemiological conditions.*" It was on this premise that the arrangements for transportation were made.

Lesson #3 - In as much as the Ministry can seek the assistance of other Ministries/ Departments for the loan of their drivers, this may not always be possible based on the mitigating circumstances within these Ministries/ Departments. This lesson assumed that GoM has a fleet of buses which could have been used. Because of the emergency, the very few buses were redeployed elsewhere to support other departments such as the Royal Montserrat Defence Force and the Royal Montserrat Police Force. While there may have been drivers, there were no buses for them to drive.

Lesson #4 (a) - In keeping with the initial signed Cooperation Agreement dated July 14th, 2020, between the Government of Montserrat and the

	<p>Republic of Cuba, Clause 1: Conditions for Cooperation/Collaboration Section 1.4 states, "the Montserrat Party shall ensure that during the presence of Cuban health personnel in that territory, the cost of migration, international and national transportation, accommodation and food shall be borne by the Montserrat Party; <i>and that the Cuban health personnel be provided with the technical means of protection and the required epidemiological conditions.</i>" At the onset, quotations were sought from two providers based primarily on the quality of the service required and the types of vehicles required. The initial quotations were not in excess of the authorised limits and, at the time of procuring external transportation arrangements, the island was in emergency mode. Due to the terms of the Cuban Technical Cooperation agreement, the selection of transportation providers had to be limited to ensure that the Cuban Medical Brigade was protected.</p> <p>Lesson #4 (b) - At the time of the initial engagement of the Cuban Medical personnel, the island was operating under a crisis and as such the ability to engage and advertise across multiple channels would have been impeded. Quotations were sought from two providers and these were not in excess of the authorised limits. The increases in cost were not anticipated and were the result of lengthy hand-over periods between shifts as the initial language barriers presented a challenge.</p> <p>Lesson #5 - The Ministry of Health & Social Services does not have the authority to determine the level of tax which is to be deducted from a payment. This falls solely under the remit of the Inland Revenue Department, which provides specific guidance to the Accountant General in keeping with Section 38 (1) of the Income Tax Act CAP.17.01. Furthermore, the Inland Revenue Department provides the rates to be deducted as tax for all services procured and it is on this basis that the relevant deductions were made.</p> <p>Lesson #12 (a) - At the time of seeking persons to provide services to the Ministry of Health & Social Services, due process was followed in procuring services.</p>
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Lesson 12 (b) - The Ministry of Health & Social Services is not in a position to determine or suggest the proportion of tax to be deducted from any supplier as advised above.

Lesson #13 - With reference to the certification of invoices, the Ministry adheres to the agreed standard.

General Feedback

In reviewing this audit, in general, there were some lessons to be learnt and some recommendations which are either already done or which can be implemented.

Permanent Secretary
Ministry of Health and Social Services
8 July 2022



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15 July 2022