



MEDIA RELEASE

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Auditor General reports on the Port Royal Golf Course Improvements Capital Development Project

Auditor General, Heather Jacobs Matthews, made public today a Special Report on the Port Royal Golf Course Improvements Capital Development Project. Mrs. Jacobs Matthews' report is highly critical of the Board of Trustees and the Government's management of more than \$24 million which was spent on the refurbishment of the Port Royal Golf Course during the years 2007 to 2011 – a project that was initially budgeted at \$4.5 million in November 2006.

Similar to other major capital development projects reported on by the Auditor General, this project was not delegated to the Ministry of Works and Engineering which has the mandate and expertise to carry out such projects. Instead, this project was delegated to the Cabinet Office and the Ministry of Tourism and Transport with the Board of Trustees given the responsibility to manage the project – a role neither of these entities had the technical capacity or the legal authority to undertake in accordance with Financial Instructions.

The Special Report speaks of cost overruns, a lack of proper oversight and monitoring by the Government, loan financing authorized by the Minister of Finance without the approval of Parliament and a total disregard of established financial practices and controls for government expenditures - including the lack of tendering and conflicts of interest relating to Board members, one of whom was a Government Minister.

Further, the Auditor General reports that she cannot conclude whether all the funds received by the Board of Trustees were used for the intended purposes or were fully accounted for due to inadequate accounting records. She notes that the “The Board of Trustees has not received a clean audit opinion on its financial statements since 1999. In fact, the Department of Internal Audit in its 2011 operational review of the Port Royal Golf Course noted numerous deficiencies in its internal controls”.

In the final analysis, the Auditor General reports that neither the Board of Trustees nor Government can confirm that value for money was achieved in this project nor can they confirm that taxpayer funds were effectively managed and protected.

A copy of the Special Report will be made available on the Auditor General’s website at <http://www.oagbermuda.gov.bm/portal/server.pt> under Publications.