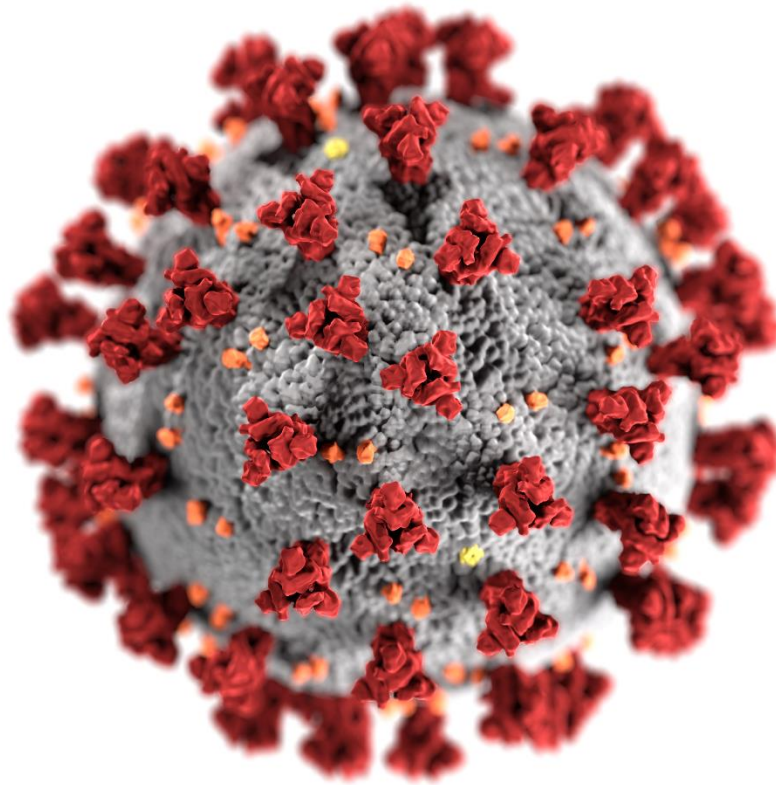




GOVERNMENT OF BERMUDA'S RESPONSE TO COVID-19



PUBLIC INTEREST REPORT

FEBRUARY 2021



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The Honourable Dennis P. Lister, JP, MP
Speaker of the House of Assembly
Sessions House
21 Parliament Street
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Honourable Speaker:

Pursuant to Section 13 of the Audit Act 1990, I have the honour to submit herewith my first Public Interest report on a programme of work undertaken on the Government of Bermuda's Coronavirus (COVID-19) response.

Respectfully submitted

Heather Thomas, CPA, CFE, CGMA
Auditor General

Hamilton, Bermuda
February 2021

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Government of Bermuda's Response to COVID-19 – *an examination*

This is the first public interest report that the Office of the Auditor General will undertake to support Parliament in its scrutiny of the Government of Bermuda (the 'Government') response to coronavirus (COVID-19) pandemic. This report is a factual summary of the Government's activities and estimated costs to October 2020. The information in this report was not audited and does not assess the value for money of the Government response. As the COVID-19 landscape continues to unfold and the Government response continues, a phased reporting approach has been adopted so as not to compromise the Government's ongoing emergency responses. In the next phase of our programme, we will focus on the unemployment benefit programme, while continuing to report on the Government's COVID-19 response.

We undertook this work not only because of queries from the Public, but also because we recognise the importance of independent reporting to the Parliament and the Public. We will continue to monitor and report on the Government's COVID-19 response in order to provide independent reporting to the Public and Parliament about how the Government is accounting for its COVID-19 initiatives and results achieved.

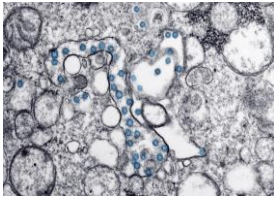
Government of Bermuda's Response to COVID-19 – an examination

SECTION 1: BACKGROUND

In late 2019, the World Health Organization (WHO) became aware of a viral pneumonia which appeared to originate in Wuhan, People's Republic of China.¹ By January 9, 2020, Chinese authorities had determined that this outbreak was caused by a *novel coronavirus*², later called "COVID-19." By January 13, 2020, Thailand's Ministry of Public Health reported an imported case of this virus, the first recorded case outside of China.³ Over the course of the next several months, COVID-19 would have, in some manner, impacted the lives of billions of people.

The COVID-19 virus is a new virus linked to the same family of viruses as Severe Acute Respiratory Syndrome (SARS) and some types of common cold.

'CO' stands for corona
'VI' for virus, and
'D' for disease.
'19' is for 2019, the year this disease first appeared.
Referred to as '2019 novel coronavirus' or '2019-nCoV'



Source: WHO, "Naming the coronavirus disease (COVID-19) and the virus that causes it"

Government of Bermuda Threat Level



At the time that the COVID-19 threat level was raised to *elevated*, the Ministry of Health's Epidemiology Surveillance Unit (ESU) was in a state of heightened preparedness for a public health emergency.⁴ Internally, the ESU undertook various activities, such as training of airport staff and cleaners in preparation for COVID-19. On March 11, 2020, the WHO declared COVID-19 a global pandemic. Bermuda's first positive case of COVID-19 was recorded on March 18, 2020.

To October 31, 2020, more than 45 million total cases COVID-19 had been reported worldwide

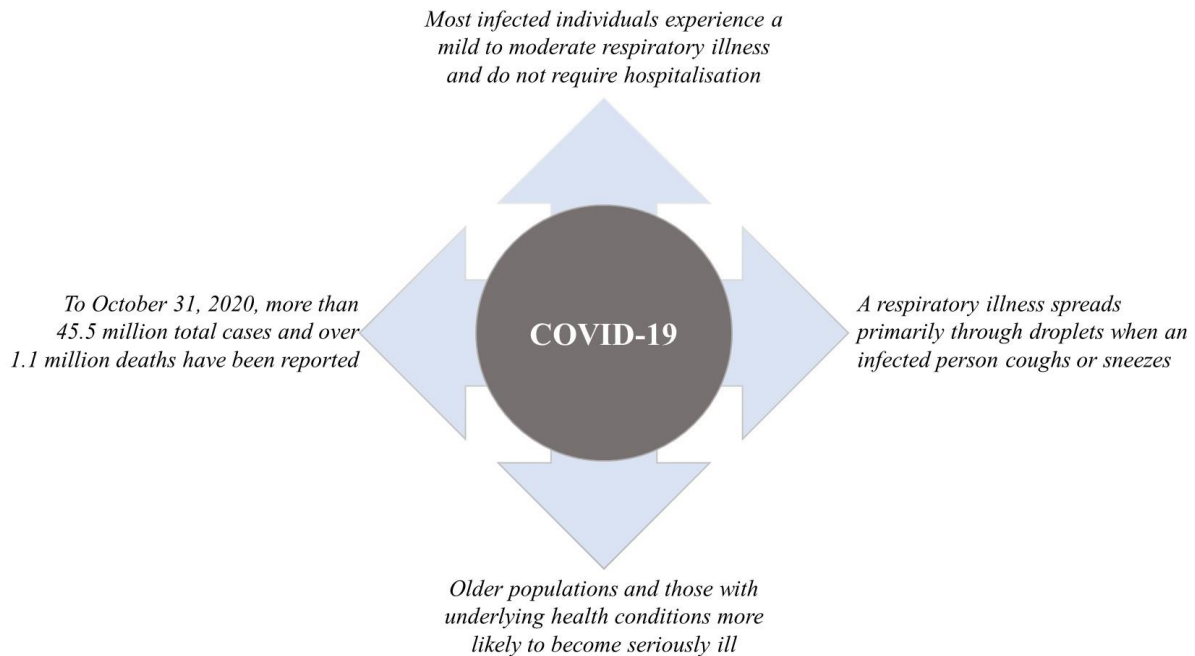


Figure 1: Source: World Health Organization

¹ Source: <https://www.who.int/news-room/detail/29-06-2020-covidtimeline>

² Source: <https://www.who.int/news-room/detail/29-06-2020-covidtimeline>

³ Source: <https://www.who.int/news-room/detail/13-01-2020-who-statement-on-novel-coronavirus-in-thailand>

⁴ Source: <https://www.gov.bm/articles/coronavirus-update-ministry-health>

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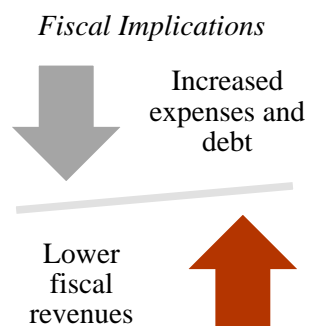
As at October 31, 2020, Bermuda had recorded 199 total cases and 9 fatalities. Noting that circumstances may differ by jurisdictions, a comparison of Bermuda to member countries of the *Caribbean Organisation of Supreme Audit Institutions* follows in *Table 1*.

| Country | Population -July 2020 est. | Cases -cumulative total | Deaths -cumulative total |
|--------------------------------|-------------------------------|----------------------------|-----------------------------|
| Anguilla | 18,090 | 3 | 0 |
| Antigua and Barbuda | 98,179 | 124 | 3 |
| Aruba | 119,428 | 4,472 | 37 |
| Bahamas | 337,721 | 6,644 | 142 |
| Barbados | 294,560 | 236 | 7 |
| Belize | 399,598 | 3,382 | 56 |
| Bermuda | 71,750 | 199 | 9 |
| British Virgin Islands | 37,381 | 72 | 1 |
| Cayman Islands | 61,944 | 240 | 1 |
| Curacao | 151,345 | 944 | 1 |
| Dominica | 74,243 | 42 | 0 |
| Grenada | 113,094 | 28 | 0 |
| Guyana | 750,204 | 4,098 | 123 |
| Haiti | 11,067,777 | 9,054 | 232 |
| Jamaica | 2,808,570 | 9,005 | 205 |
| Montserrat | 5,373 | 13 | 1 |
| Saint Kitts and Nevis | 53,821 | 19 | 0 |
| Saint Lucia | 166,487 | 76 | 0 |
| Saint Vincent & The Grenadines | 101,390 | 74 | 0 |
| Sint Maarten | 32,556 | 805 | 22 |
| Suriname | 609,569 | 5,197 | 111 |
| Trinidad and Tobago | 1,208,789 | 5,636 | 107 |
| Turks and Caicos Islands | 55,926 | 703 | 6 |

Table 1: Figures to October 31, 2020, sources CIA World Factbook (population data); WHO (case data)

SECTION 2: ABOUT THIS EXAMINATION

Pursuant to the Audit Act 1990, sections 12(1) and 12(2) (a) (b), the Auditor General may, in the public interest, undertake works and review any matter of public interest. This is the first public interest report that the Office of the Auditor General (the “Office” or “OAG”) will undertake to support Parliament in its scrutiny of the Government of Bermuda (the “Government”) response to COVID-19. This report is a factual summary of the Government’s activities and unaudited expenses to October 2020.



The Office has adopted a phased approach for this programme and will report on the Government’s response to COVID-19 over the year. This first part of the programme will cover the timeline and response of the Government to the end of October 2020. The multi-part programme in totality will examine not only how the Government responded to the global pandemic and its related programmes, but what expenses were incurred. ***How these expenses may contribute to Bermuda’s current high level of public debt, long-term impact to the local economy, and healthcare is unknown.*** The COVID-19 related expenditure and the Government’s COVID-19 spend overlap and in some cases, the COVID-19 programs were funded through the reprioritisation of existing initiatives and plans or the reallocation of Government’s funding. The Government has recognised that the economic impact of COVID-19 has put pressure on the 2020/21 Budget. In addition, there has been slower growth in the economy, a rise in unemployment, fewer visitor arrivals and reduced consumer spending. The combination of lower fiscal revenues and higher public spending is expected to cause the projected budget deficit of \$19.8 million to increase to \$295 million⁵ (or 15 fold).

The information in this report does not assess the value for money of the Government response or the effectiveness of its response. For this part of the programme, the Office held interviews with various Government stakeholders, reviewed the Government’s COVID-19 guidance, regulations, legislation and sequential amendments, reports, and invoices as evidence for those significant and known details in this report.

COVID-19 has had a significant impact on Bermuda and globally in the areas of public health, employment, and economic growth. The pandemic required urgent actions by governments whilst balancing accountability, transparency and integrity.

SECTION 3: KEY STAKEHOLDERS

All residents (whether Bermudian or work permit holders) and visitors, have a stake in the Government’s response as it relates to the pandemic. Responsibility for the Government’s pandemic response included, in no particular order, Ministry of Health, Governor, Cabinet Office, Ministry of Finance, Ministry of National Security, Ministry of Education, Ministry of Transportation, and Ministry of Public Works. Each of these entities have specific responsibilities as outlined in *Figure 2* below.

⁵ Source: Ministerial Statement dated November 13, 2020

Government of Bermuda's Response to COVID-19 – an examination

| | | |
|---|---|---|
| <p>Governor <i>Commander-in-Chief of Bermuda</i> Responsible for: external affairs, defence, internal security, and the police Commander-in-Chief of the Royal Bermuda Regiment</p> | | |
| <p>Premier <i>Majority leader in the House of Assembly; head of Government</i> Nominates other members of Cabinet who are assigned responsibilities within Government</p> | | |
| <p>Ministers</p> <ul style="list-style-type: none"> Duty to Parliament to account for, and be held accountable for policies, decisions, and actions of their Ministries Charged with seeing that Cabinet's vision is understood by the Departments in their Ministries <p>Permanent Secretaries</p> <ul style="list-style-type: none"> Responsible for effective implementation of Government policy and for strategic management of the Civil Service, With Heads of Departments, have fiscal responsibility for their Ministry/Department and for day-to-day management – including compliance with <i>Financial Instructions</i> | <p>Ministry</p> | |
| | <p>Cabinet Office</p> | <ul style="list-style-type: none"> Functions include: final determination of policies; strategic control of Government; coordination of Government Ministries and Departments <i>Bermuda Constitution Order 1968</i> – Cabinet is collectively responsible to the Legislature for any advice given to the Governor by or under the general authority of the Cabinet and for all things done by or under the authority of any Minister |
| | <p>National Security</p> | <ul style="list-style-type: none"> Includes Ministry Headquarters, Dept. of Customs, Bermuda Fire & Rescue Service, Dept. of Corrections, Dept. of Immigration, Bermuda Police Service, Police Complaint Authority, and Royal Bermuda Regiment <i>Emergency Measures Organization (EMO)</i> addresses any national emergency with a broader scope, such as response and recovery encompassing food, shelter, and power supply in Bermuda. <ul style="list-style-type: none"> EMO receives public health information from Ministry of Health via the <i>Public Health Emergency Response Team (PHERT)</i> by Chief Medical Officer, or designate. <i>Disaster Risk Reduction and Mitigation Team (DRRM)</i> is responsible for bringing together all disaster plans for Bermuda and ensuring these are updated continuously, that staff are trained, and plans are functional when the need arises |
| | <p>Finance</p> | <ul style="list-style-type: none"> Function includes general supervision of Bermuda's economy, provision of overall financial management of all government activities <i>Public Treasury (Administration and Payments) Act 1969</i> delegates responsibility for management of Government finances to the Minister. This includes, but is not necessarily limited to: Contingencies Fund & Unemployment Insurance Fund |
| | <p>Public Works</p> | <ul style="list-style-type: none"> Includes West End Development Corporation, Bermuda Land Development Company Ltd., Bermuda Housing Corporation, Works & Engineering, Public Lands and Building, Parks, Land Valuation, & Land Title & Registration |
| | <p>Labour</p> | <ul style="list-style-type: none"> Includes Dept. of Immigration, Dept. of Financial Assistance, Dept. of Workforce Development, and Labour Relations Office |
| | <p>Transportation</p> | <ul style="list-style-type: none"> Includes Energy, Marine & Ports, Public Transport, Transport Control, & Bermuda Civil Aviation Authority |
| | <p>Education</p> | <ul style="list-style-type: none"> Includes Dept. of Education, Libraries, Bermuda College, CedarBridge Academy, & Berkeley Institute Responsible for decisions related to public educational institutions |
| | <p>Health</p> | <ul style="list-style-type: none"> Function includes strategic leadership of the health system that operates in a way that is accountable, effective, and transparent <i>Public Health Act 1949</i> gives Minister supervision and control over all matters concerning or connected to public health; <i>Quarantine Act 2017</i> sets out many of the responsibilities assigned to the Minister of Health in relation to the pandemic response, including appointment of the Minister as Quarantine Authority, giving the Minister power to appoint and oversee public officers as Health Officers to act under her direction and control. <i>Public Health Emergency Response Team (PHERT)</i>, establishing and serving as <i>Incident Command (IC)</i> for public health events and emergencies <ul style="list-style-type: none"> PHERT includes members of Ministry of Health representing essential professionals to coordinate, identify, confirm, and respond to health emergencies- including providing input to Emergency Measures Organization. Meetings are convened and facilitated by Chief Medical Officer, or designate. IC established for COVID-19 pandemic, led by seconded Director of the Department of Health (may be seen as an extension of PHERT). |
| | <p>Heads of Departments Serve as the <i>Accounting Officers</i> of their Department; Personal responsibility for propriety and regularity of public finances and for maintaining proper accounts, while avoiding waste and extravagance and maintaining efficient and effective use of resources</p> | |

Figure 2: Governmental responsibilities

SECTION 4: GUIDING LEGISLATION AND GOVERNANCE

In early February 2020, the *Public Health (Communicable Disease) Order 2020* and the *Quarantine (Communicable Disease Order) 2020* were amended to list COVID-19 as a communicable disease. Throughout the pandemic, across multiple Ministries, there were approximately 50 regulations, amendments, orders and proclamations made that guided the Government's pandemic response⁶. As a result of these orders and actions, the Government also forewent some revenue from streams, such as payroll tax, customs duty, passenger tax, and other fees. This will be covered in a subsequent report.

The *Public Health Act 1949* is the overarching act, which provides general supervision and control over all public health matters to the Minister of Health. The *Quarantine Act 2017* gives the powers of "Quarantine Authority" to the Minister of Health, which enables the Minister to appoint Health Officers who will exercise their power under the general or special direction and control of the Quarantine Authority. On March 30, 2020⁷, the Minister of Health appointed Health Officers under the *Quarantine Act 2017* and the *Customs Department Act 1952*.

The appointment included:

- Community Health Nurses
- Environmental Health Officers
- Health Visitors
- Public Health Nurses
- Customs Officers
- Senior Customs Officers
- Police Constables
- Principal Customs Officers
- Principal Compliance Officer (Immigration)
- Reserve Constables
- Senior Immigration Inspectors
- Special Constables

Throughout the Government's ongoing pandemic response, the Minister of Health made various orders under the *Public Health Act 1949* and the *Quarantine Act 2017*.

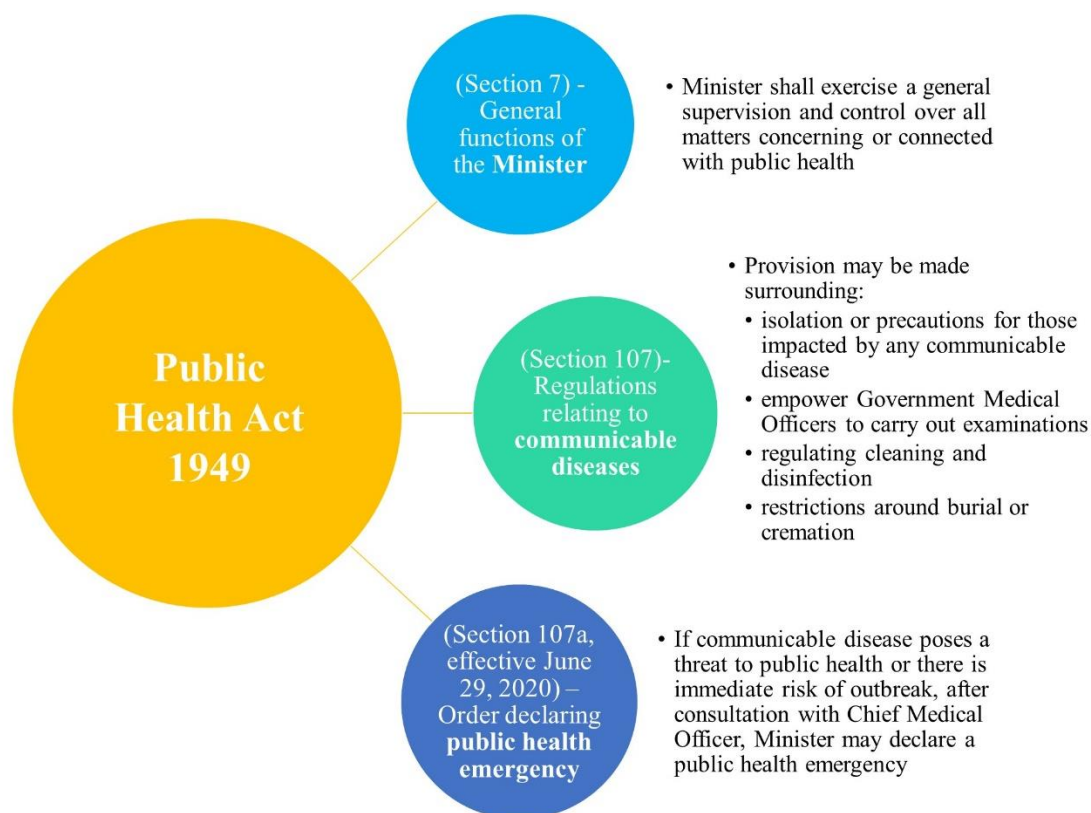


Figure 3: Excerpts from the Public Health Act 1949

⁶ Source: Bermudalaws.bm

⁷ Source: https://www.gov.bm/sites/default/files/egazette_documents/Health-Officers-Appointment-under-Quarantine-Act.pdf

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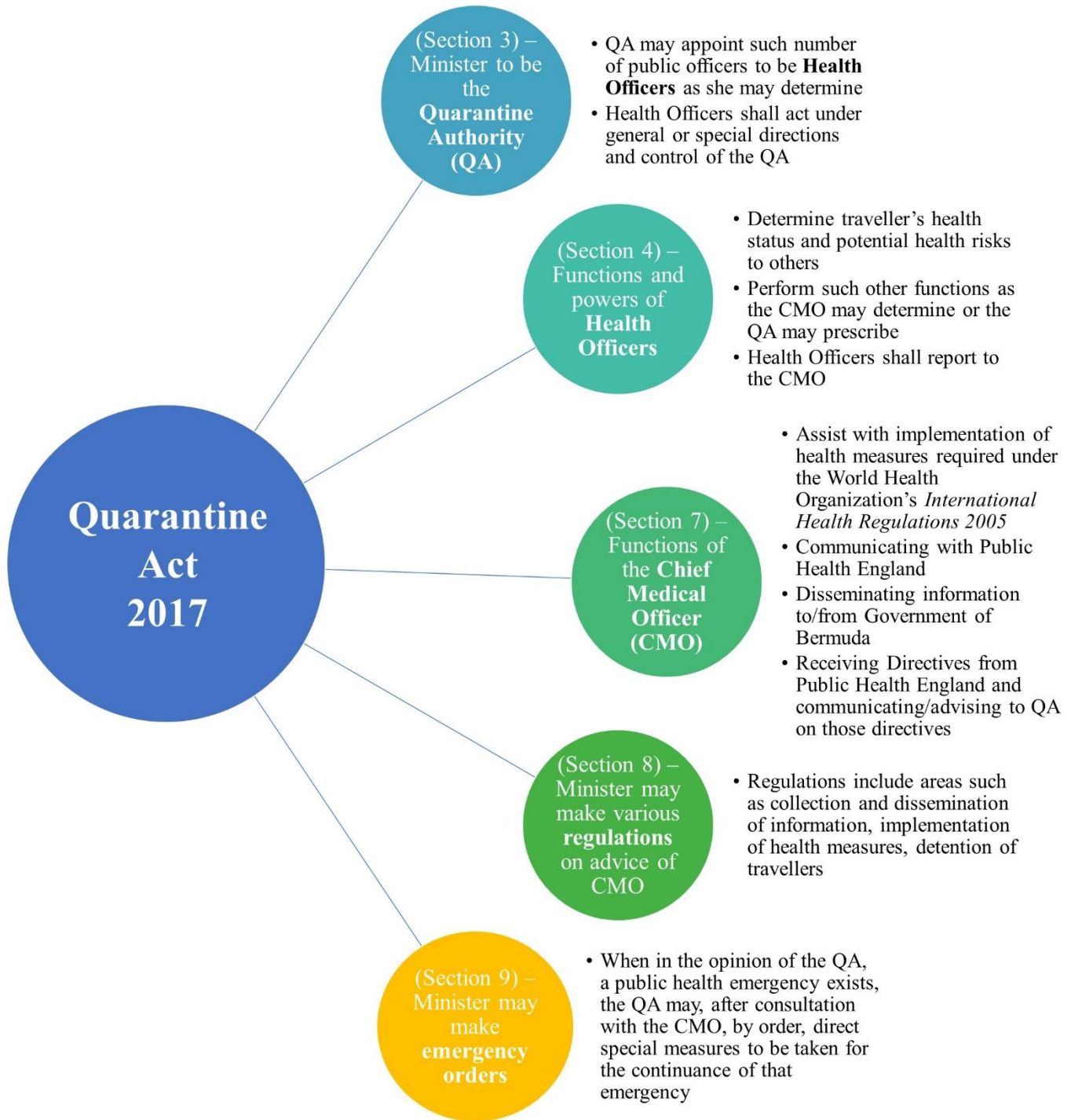


Figure 4: Excerpts from the Quarantine Act 2017

Further details of Public Health response activities contained in *Appendix A*.

SECTION 5: RESPONSE AND COMMUNICATION

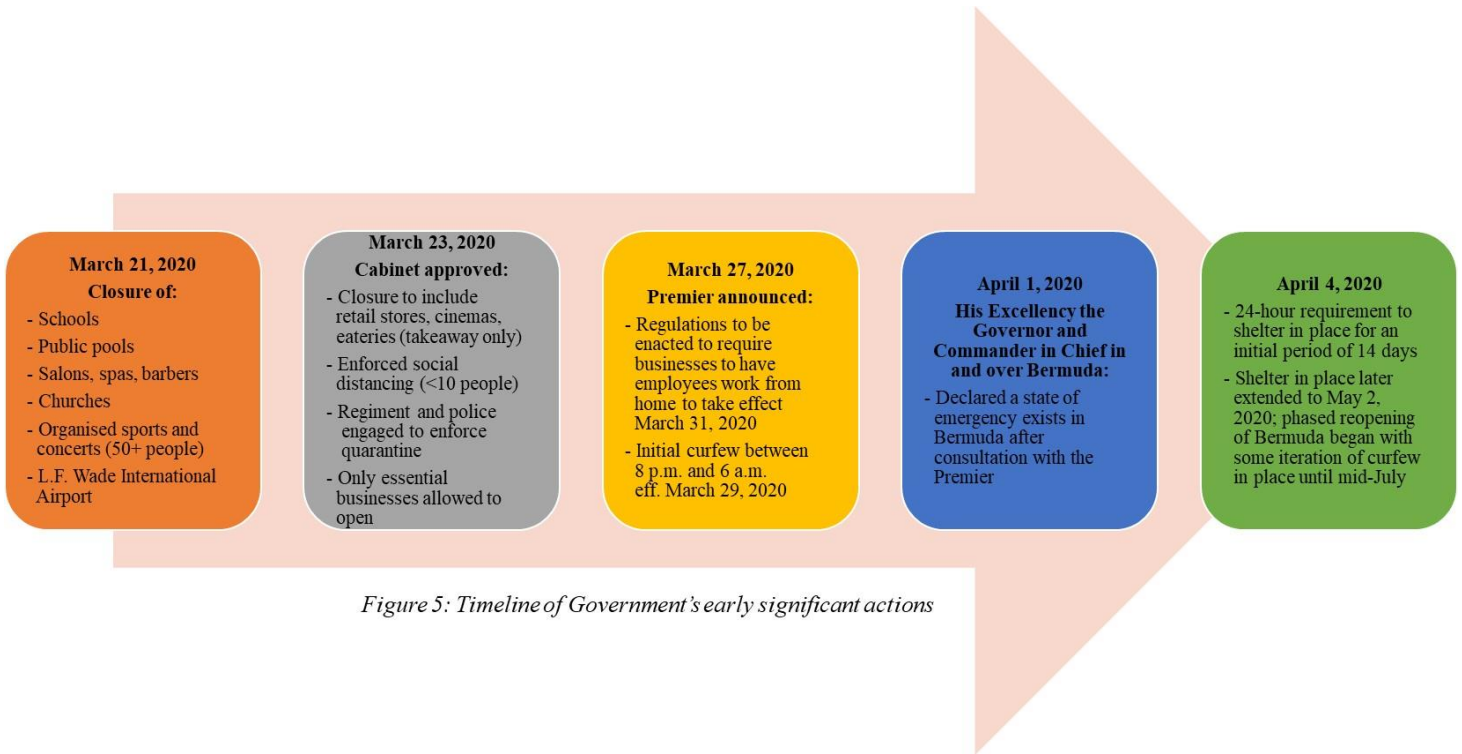


Figure 5: Timeline of Government’s early significant actions

Part of the Government’s response and effort to suppress and curb the spread of COVID-19 included imposition of curfews, shelter in place orders, closure of L.F. Wade International Airport, declaration of a state of emergency, and various other restrictions—such as allowing grocery shopping only alphabetically by surname on specific days to help suppress and mitigate the spread of COVID-19. The Government set out a *phased reopening* of Bermuda beginning on May 2, 2020. Refer to *Appendix B* for information on this phased reopening and *Appendix C* for further details on actions taken by the Government.

On March 12, 2020, Premier David Burt stated “...We are committed to keeping the public informed and to ensuring that we employ all of the means at our disposal to keep Bermuda and the people who live and work here as safe as possible in the light of this rapidly changing situation.”⁸ The Government used several means to communicate with residents:

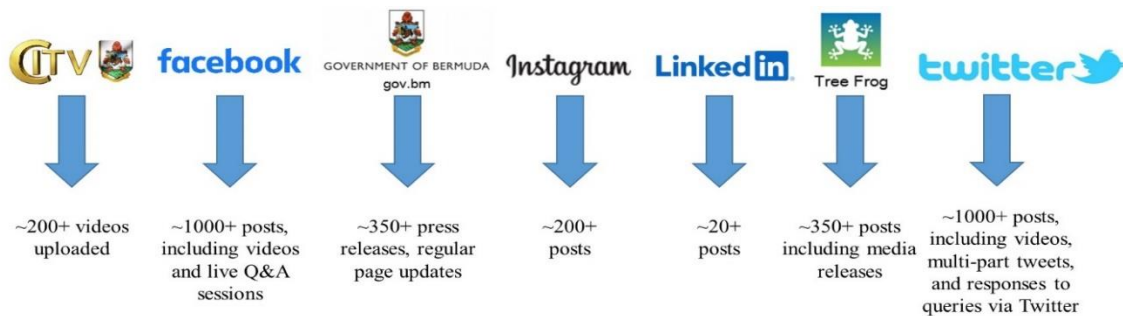


Figure 6: Number of communications

⁸ Source: <https://www.gov.bm/articles/covid-19-update-12th-march-2020>

SECTION 6: FISCAL MANAGEMENT

On March 16, 2020, the Minister of Finance presented the Government’s *COVID-19 Fiscal Plan* (the “Fiscal Plan”)⁹:

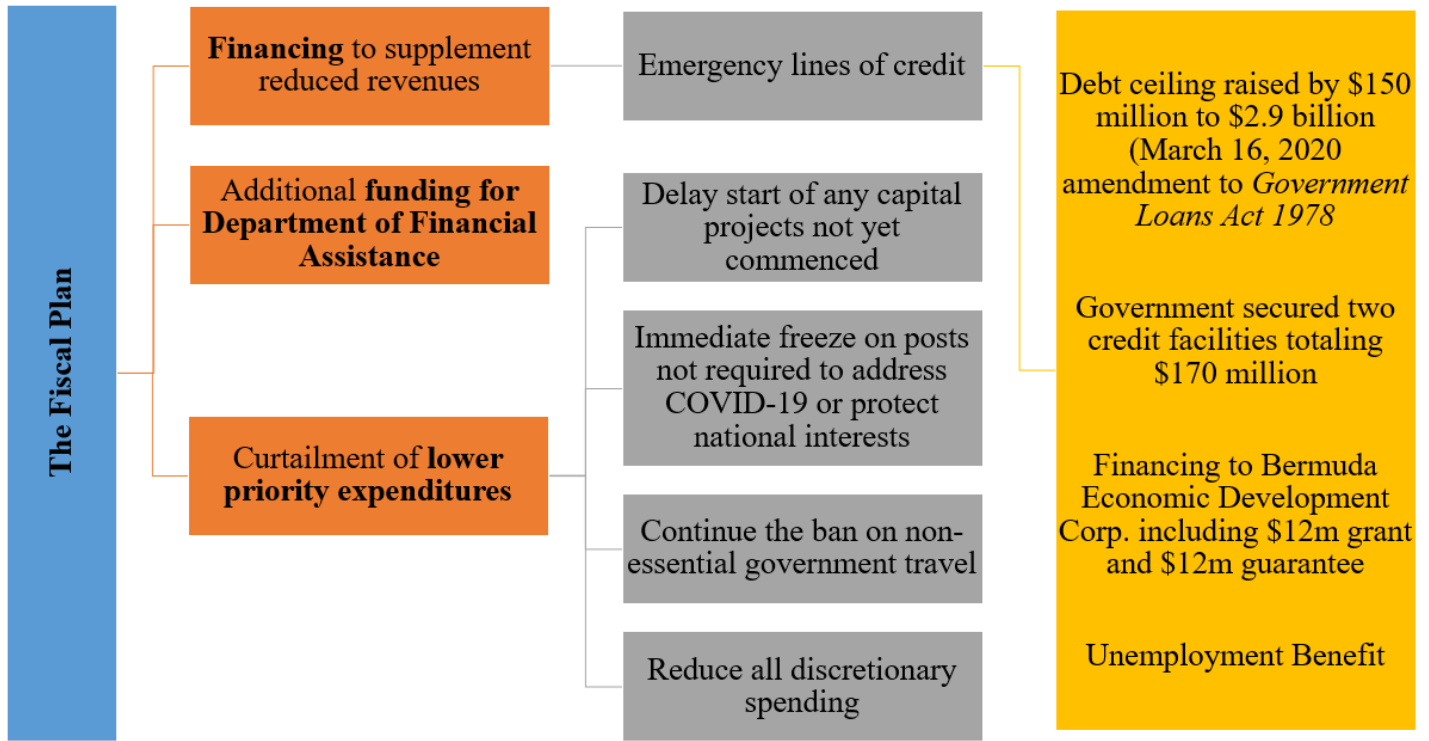


Figure 7: Government’s Fiscal Plan

The Minister of Finance stated that “No spending reductions will be made that will jeopardise the health, safety, and security of the People of Bermuda,” while also noting that fiscal prudence will be maintained with priority of protecting Bermuda from the health and economic impact of COVID-19.¹⁰

⁹ Source: <https://www.gov.bm/articles/covid-19-fiscal-plan>

¹⁰ Source: <https://www.gov.bm/articles/covid-19-fiscal-plan>

SECTION 6.1: PROCUREMENT DURING THE PANDEMIC

Despite the emergency circumstances brought on by the pandemic, there is still an essential need for strong public accountability and transparency. The Public still expects the Government to act with due regard for public funds and have adequate safeguards to ensure outflows of funds are appropriate.

The Government’s *Financial Instructions*, and the *Code of Practice for Project Management and Procurement* (the “Code”) set out the requirements, principles and procedures for the procurement of goods and/or services during emergency or exigent circumstances. Both aim to help public officers ensure that the Government’s procurement activities achieve the best value for the expenditure of public funds while being fair, ethical, and transparent.¹¹ Financial Instructions are administered by the Accountant General’s Office while the Code is administered by the Office of Project Management and Procurement (“OPMP”). The introduction section of the first edition of the Code, states “This [Code] outlines how public officers will procure goods or services on behalf of the Government.” As updated on July 1, 2020, the introduction section now states “These rules incorporate a flexible framework designed to help public officers make balanced procurement decisions and guide them to procure responsibly and achieve public value.” This is a change in policy from the July 2, 2018 version of the Code.

The principles underpinning the practice requirements of the Code, to which public officers must adhere include:



Source: *The Code*, section 3.3

Figure 8: Principles from Code of Practice for Project Management and Procurement

The Code further states under section 3.7(a) (IV) “Where a mandate of Cabinet supersedes the requirements of this Code, the responsible Permanent Secretary must inform the Secretary to the Cabinet of the mandate, and consult with the Director [of Project Management and Procurement].”

Section 6 of the Code outlines the process for waivers of the Code of Practice requirements. Waivers may be granted by the Director of Project Management and Procurement (the “Director”) in exceptional circumstances through a request from an officer authorised to engage in a procurement. The Director may consult with various parties including the Accountant General or the Financial Secretary prior to granting a waiver. Requests for waivers must be made in writing and may not be granted retrospectively, except in emergency situations (as defined in Section 6.3 of the Code).

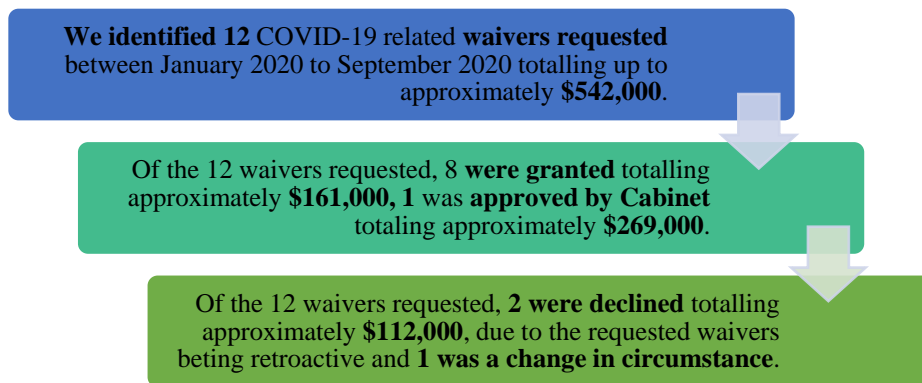


Figure 9: COVID-19 related sole source waivers to September 30, 2020 (information limited to quarterly reporting)

¹¹ Source: <https://www.gov.bm/sites/default/files/CODE-OF-PRACTICE-Amended-2nd-Edition-Final--July-27-2020-2.1.pdf>

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Section 6.3 states that the Permanent Secretary for the relevant ministry may seek oral permission from the Director (or a designee) to waive certain requirements of the Code in emergency circumstances¹². Section 24.4 of the Code outlines exceptional circumstances where single source procurement may be allowable. These are:

- vendor has exclusive rights in respect of the subject matter of the procurement (no reasonable alternative);
- an extremely urgent, time sensitive need owing to a catastrophic event;
- reasons of standardisation from original procurement;
- and no other method of procurement available to protect security interests of Bermuda.

The July 1, 2020 Code update also changed the threshold of “high value procurement” from \$100,000 to \$250,000. Procurement between \$50,000 and \$249,999 requires ministerial sign-off whereas previously, over \$100,000 required Cabinet approval. However, single source procurement requires Cabinet approval for expenditure over \$100,000.

On March 28, 2020, the Ministry of Finance, via the Financial Secretary, made the decision to waive the requirements under Financial Instructions and Code which required Cabinet approval for spending in excess of \$100,000 pertaining to COVID-19 pandemic procurement/expenditure. The Financial Secretary elaborated on the process for obtaining funds from Ministry of Finance for expenses related to the pandemic response as follows:

- Set up of *COVID-19 Business Units* within the Government accounting system
- Where possible, Ministry to identify areas of required spending and obtain estimates
- Submit budget request to Ministry of Finance
- Funds are allocated as approved by the Minister of Finance
- Expenses are incurred and invoices are received
- Payments are made out of the special COVID-19 business units
- Under the unusual circumstances, the normal procurement processes, for example obtaining three quotes, is not required. Requirements under the Code to be waived. Cabinet approval is not required for spending above \$100,000.

Below is a summary of procurement transactions related to the pandemic as taken from the Government's JD Edwards (E1 9.2) accounting system to October 2020.

¹² The Code states “An emergency exists where there is an immediate risk to the public, public officers, or property to an extent where any part of a Government service is or will be disrupted without immediate action being taken”

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| Ministry | Amount (\$) | Nature of incremental expenses |
|---|------------------------|---|
| Cabinet Office | 13,723,000 | Grant to Bermuda Economic Development Corporation as part of a business assistance programme for small and medium-sized businesses, medical equipment and supplies, wages and overtime, quarantine monitoring system, laboratory services (Molecular Diagnostic Laboratory), medical services, etc. |
| Health | 7,614,000 | Medical equipment and protective supplies (some procured through Bermuda Hospitals Board channels), public health services such as testing sites, call center, laboratory services (Helix Genetic and Scientific Solutions) |
| National Security | 7,219,000 | Embodiment of the Regiment, quarantine facilities and management, security services, medical equipment and protective supplies, cleaning, other equipment, maintenance and supplies |
| Social Development and Seniors | 602,000 | Shelter administration services, security services, cleaning |
| Finance | 350,000 | Loan facility fees |
| Youth, Culture and Sports | 218,000 | Wages, other office equipment and supplies |
| Labour | 157,000 | Database development services on unemployment benefit administration, support staff services, cleaning |
| Transport | 130,000 | Cleaning, medical and protective supplies |
| Legal Affairs and Constitutional Reform | 1,000 | Mileage reimbursement |
| Total | 30,014,000 | |

Table 2: Summary of procurement by Ministry

Initially, the Ministry of Health utilised the Caribbean Public Health Agency Medical Microbiology Laboratory (CARPHA Lab) in Trinidad & Tobago for test results, as there was no capability to carry out COVID-19 testing within Bermuda. The CARPHA Lab had limitations in terms of turnaround time and number of tests that could be completed. However, by March 20, 2020 on-island testing for COVID-19 commenced through a collaboration between Ministry of Health, BHB, and Helix Genetic and Scientific Solutions (Helix). Bermuda had the first reference testing lab outside of CARPHA and went from the ability to test 20 specimens per week to over 100 specimens per day. Bermuda was commended by the Pan American Health Organization for its dedication and effort to get the laboratory testing and analysis implemented in a timely manner.¹³ The Government subsequently set up its own COVID-19 testing lab – the Molecular Diagnostic Laboratory—at Southside in St. David's, and as a result the contract with Helix was terminated on June 14, 2020.

Based on the OAG's analysis of the Government's accounting system records, the following is an unaudited synopsis of COVID-19 expenditure incurred and charges to Unemployment Insurance Fund:

¹³ Source: <https://www.gov.bm/articles/covid-19-update-july-24th>

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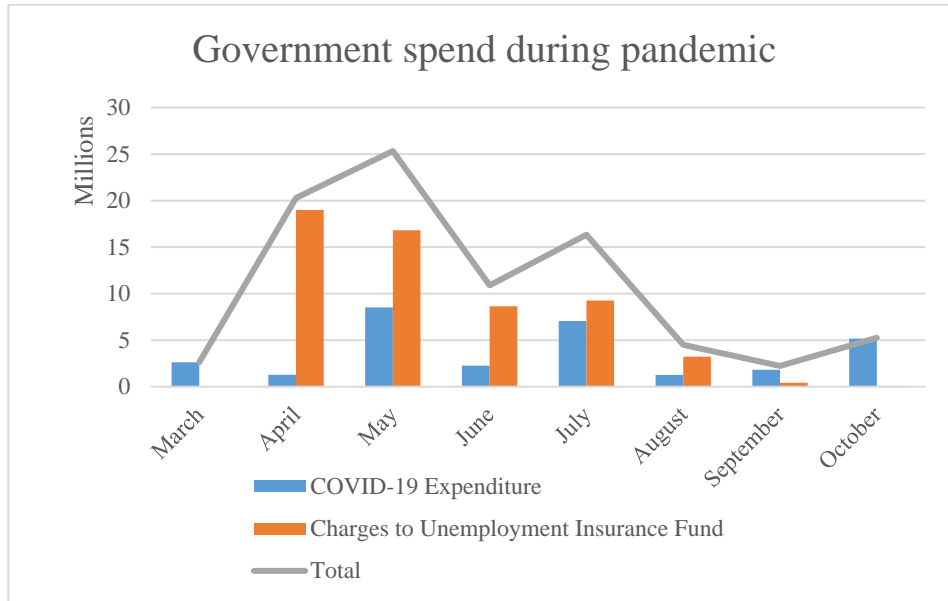


Figure 10: Monthly Government spend to from March 2020 to October 2020

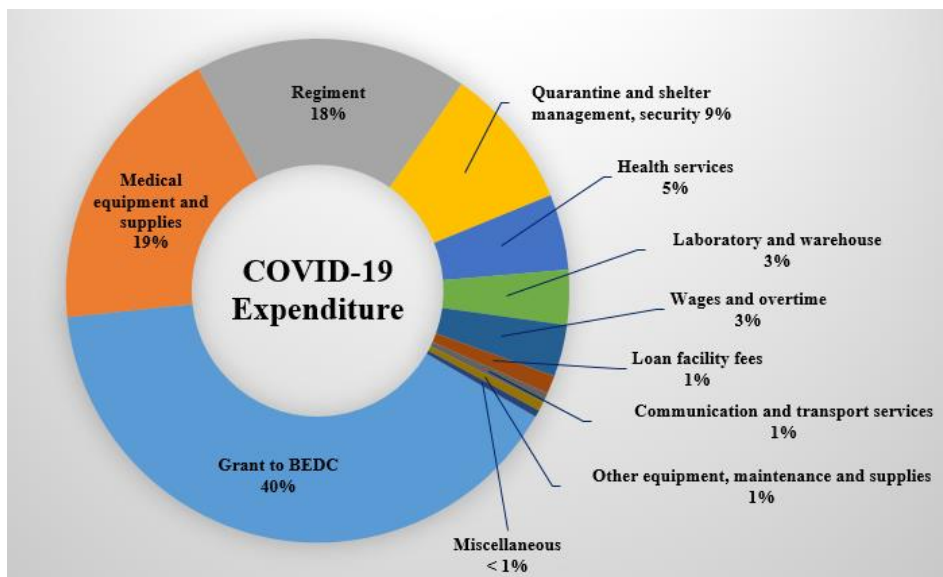


Figure 11: Breakdown of COVID-19 expenditure to from March 2020 to October 2020 (excluding Unemployment Benefit)

There were also several donations received from the Government of the United Kingdom (UK), which included items such as personal protective equipment, COVID-19 testing kits, N95 masks, swabs, digital thermometers and laboratory consumables. The UK also assisted in arranging two air bridge flights for repatriation of Bermudians and permanent residents. The total value of support to Bermuda from the UK Government was £1.3 million.

SECTION 6.2: PUBLIC DEBT

Public debt, or the Country's debt, is the accumulation of annual budget deficits as a result of Government's outflows of funds being greater than revenue collected. The Bermuda Government's actual public debt stood at approximately \$2.46 billion¹⁴ as of March 31, 2019. From March 31, 2019 to October 2020, the Government increased its debt ceiling on three occasions as indicated below:

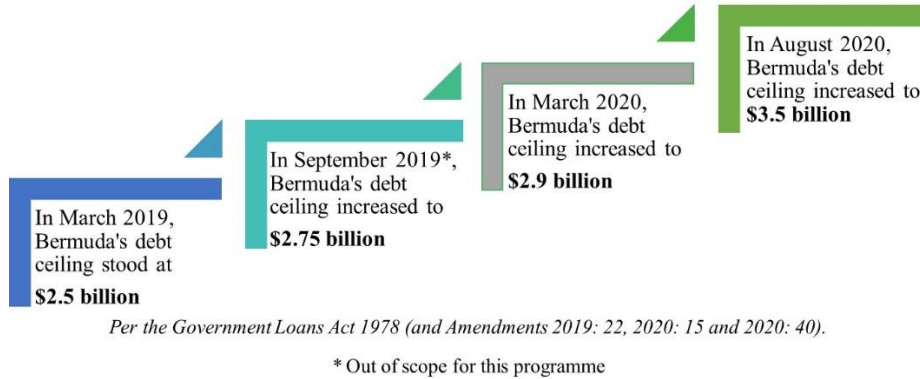


Figure 12: Increases to Government debt ceiling

The increase in the debt ceiling during September 2019 is unrelated to the Government's response to COVID-19, and as such, will not be specifically examined as part of this programme. It is included above to illustrate the growth of the debt ceiling from March 2019. As at March 31, 2020, actual public debt stood at \$2.65 billion.¹⁵

In order to fund its operations, the Government secured additional lines of credit – \$20 million with Clarien Bank and \$150 million with Clarien and HSBC Banks – after the March 16, 2020 amendment to the *Government Loans Act 1978*. The additional funding was used for unbudgeted expenses, such as the unemployment benefit and procurement related to COVID-19, as described under section 6.1. During August 2020, the Government raised \$1.35 billion with the issuance of two \$675 million Notes due in 2030 and 2050. The Government used proceeds from the new issuance to repay short-term borrowings which included the HSBC and Clarien facilities referenced above.



Figure 13: Loans drawn out from credit facilities which were settled in August through Note issuances

¹⁴ Source: Financial Statements of the Consolidated Fund of the Government of Bermuda, year-ended March 31, 2019

¹⁵ Source: Financial Statements of the Consolidated Fund of the Government of Bermuda, year-ended March 31, 2020

SECTION 7: WHAT'S NEXT

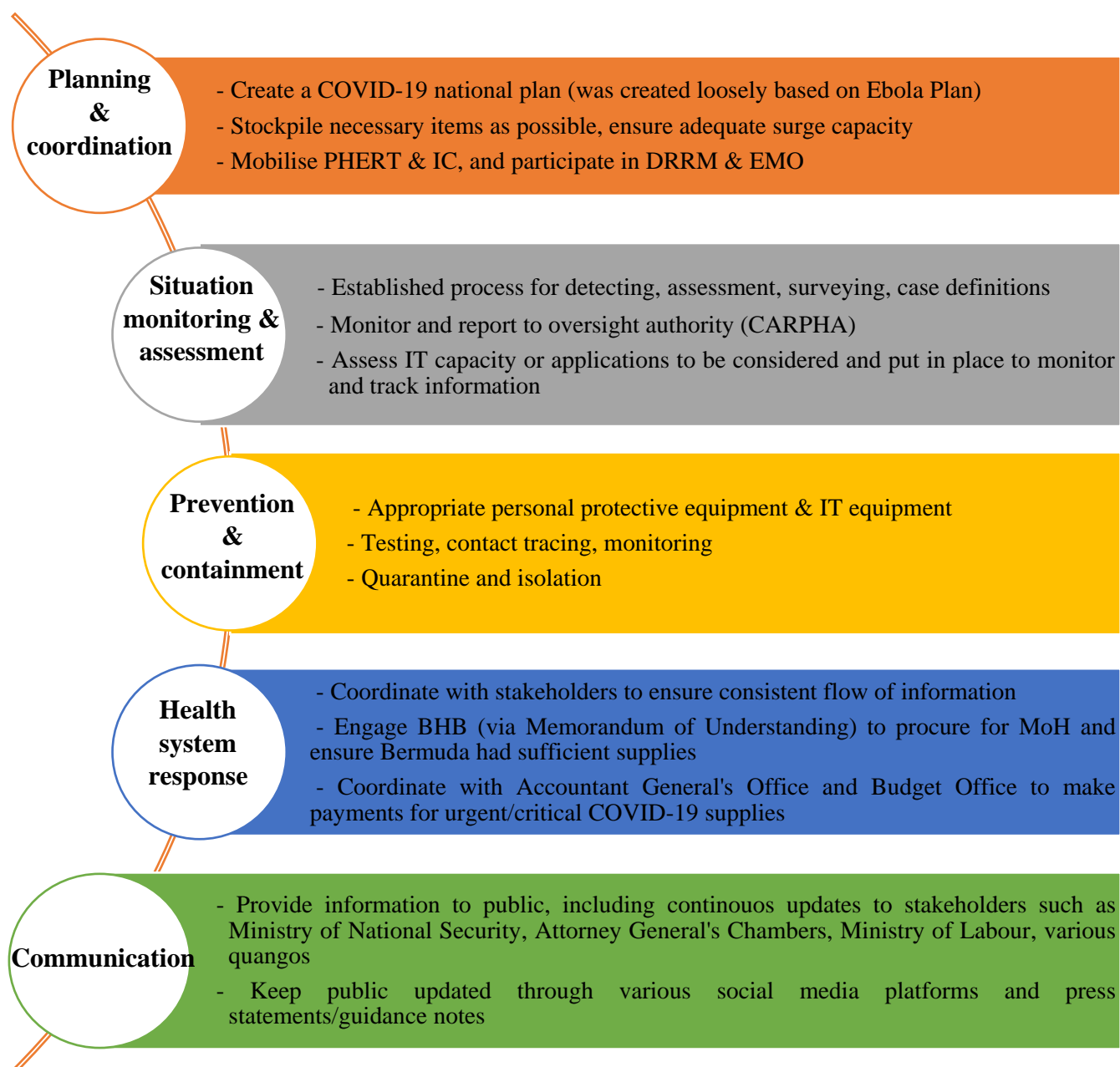
As part of its overall COVID-19 response and strategy, the Government continues to carry out daily COVID-19 testing of individuals while at the same time commencing the implementation of its economic recovery activity. As an economy rebounds, the gross domestic product grows, incomes rise and unemployment decreases. The impacts of COVID-19 will be felt beyond the 2020-21 fiscal period and the pace of the country's economic recovery will depend on whether there is a second wave of COVID-19 and the consequences of any further measures that may be necessary in order to keep residents and visitors safe.

Due to the significant economic consequences and the need for urgent policy responses that affect Bermuda on multiple levels – health, social and economic, the Auditor General will progress our COVID-19 phased examination.

Times of crisis reveal strengths and weakness of risk management strategies and extent of flexibility of the people, organisation and processes in an entity. The Government can use this experience to challenge itself to be better stewards of public resources, optimising efficiency and effectiveness of its operations and as a jumping board to innovate for Bermuda's future.

APPENDIX A – Public Health activities for pandemic

The Ministry of Health is primarily guided by the *Public Health Act 1949* and through the various regulations implemented under that Act. Bermuda's regional public health partners include Public Health England (PHE), the Pan-American Health Organization (PAHO), and the Caribbean Public Health Agency (CARPHA).¹⁶ Through the *Quarantine Act 2017*, the Ministry of Health is also guided by the World Health Organization's International Health Regulations 2005. As part of their response to the pandemic, the Ministry of Health:



¹⁶ Source: <https://www.gov.bm/coronavirus>

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Further information on the *Public Health Emergency Response Team (PHERT)*¹⁷

- Establish and serve as Incident Command (IC) for public health events and emergencies
- PHERT provides input to Emergency Measures Organisation (EMO) via the Chief Medical Officer, in relation to public health matters
- Strategic leadership for Department of Health and community partners in preparedness planning
- Serves as sub-committee of the Surveillance, Assessment and Response Committee – operationalises specific requests related to public health emergencies

| PHERT Core Team → | PHERT Ad hoc members → | PHERT Supplemental members |
|--|--|---|
| <ul style="list-style-type: none"> • Chief Medical Officer • Nurse Epidemiologist • Assessment Officer • Director of Health • Senior Medical Officer • Chief Nursing Officer • Chief Environmental Health Officer | <p>May include members, such as:</p> <ul style="list-style-type: none"> • Permanent Secretary • Public Affairs Officer • Laboratory Supervisor • Senior Public Health Analyst • Hospital Infectious Disease Specialist • Comptroller, etc. | <p>Depending on nature of event:</p> <ul style="list-style-type: none"> • Private physicians • Bermuda Hospitals Board staff • Emergency Measures Organisation members, etc. |

¹⁷ Source: PHERT Terms of Reference

APPENDIX B – Phased reopening of Bermuda

In early April the Premier appointed a Cabinet Sub Committee of the front line Ministers in this pandemic – Health, Education, National Security and Tourism & Transport and the Premier to collaborate, coordinate and make recommendations to the full Cabinet on reopening the economy.

The aim was for the committee to review progress with respect to the phased reopening of Bermuda, receive external submissions, assess them and make recommendations to Cabinet on the way forward. The primary purpose of the phased reopening approach was so that planning could occur and the timing of each phase could be either accelerated or slowed depending on the public's behaviour.¹⁸

Government's communication of the phased reopening of the country is illustrated below. Note that this is an early iteration and some of the items in each of these phases may have shifted throughout the response.

(Source: Government of Bermuda)

| PHASE 1 Limited Business | PHASE 2 Expansion of Services | PHASE 3 Moving to Normal | PHASE 4 New Normal |
|--|--|---|--|
| <ul style="list-style-type: none"> a. Retail and restaurants for curbside pickup and delivery only b. Construction, mechanical and landscaping c. Parks, beaches and golf courses d. Skeleton Government and Court Services e. Limited Public Transportation f. Limited numbers for gatherings <p>CURFEW IN PLACE FROM 10PM – 6AM</p> | <ul style="list-style-type: none"> a. Retail establishments open b. Limited personal services (hair, nails, etc) with strict restrictions c. Limited numbers for gatherings | <ul style="list-style-type: none"> a. Schools/childcare b. Full Government opening c. Full Public Transportation d. End of mandated work from home e. Churches f. Gyms g. Limited numbers for gatherings | <ul style="list-style-type: none"> a. Airport reopens b. Full personal services c. Dine-in restaurants d. Bars/clubs e. Sports club houses f. Limited numbers for gatherings |

The Ministry of Health will provide guidance when it is safe to move to the next phase. All activities will be governed by strict social distancing.

Updated 29 April 2020

GOVERNMENT OF BERMUDA

Stay informed on the latest developments about COVID-19 by visiting the Government of Bermuda's website coronavirus.gov.bm

from May 2, 2020

from May 21, 2020

from June 11, 2020

from July 1, 2020

¹⁸ Source: <https://www.gov.bm/articles/re-opening-economy-update>

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APPENDIX C – Other support and actions taken by Government

| Response/Program | Description |
|---|--|
| Hotline for the public | <ul style="list-style-type: none"> ▪ A COVID-19 hotline provided twelve hours access to obtain information or submit concerns ▪ An emotional wellbeing hotline |
| Health data collection | <ul style="list-style-type: none"> ▪ HealthIQ.bm website launched by Bermuda Health Council for symptom tracking |
| Work from home & remote learning | <ul style="list-style-type: none"> ▪ Regulations enacted under the <i>Occupational Health & Safety Act 1982</i> to require businesses to have their employees work from home except in certain circumstances ▪ Remote learning began for public school students |
| Repatriation & travel restrictions | <ul style="list-style-type: none"> ▪ Arrangement for charter flights and air bridge flights for repatriation of Bermudians and residents for a fee ▪ 14 day quarantine was imposed on returning Bermudians and residents from March 27, 2020 ▪ To date, testing and quarantine requirements are still in place for residents and visitors coming to Bermuda |
| Extended tax deadline and temporary waiving of fees | <ul style="list-style-type: none"> ▪ Payroll tax <ul style="list-style-type: none"> - Filing deadline extended to June 30, 2020, including waiving of penalties/fees for that period - Relief for restaurant and bar sectors, payroll tax (employer and employee) ceased for the quarter ending June 30, 2020 ▪ Corporate Service and Hotel Occupancy Tax <ul style="list-style-type: none"> - Filing deadline extended until April 30, 2020 ▪ Deferring/waiving fees included in Government Fee Regulations upon request ▪ Deferring/waiving late fees and penalties related to any government fees or taxes to the extent permissible by legislation ▪ Department of Immigration fees waived for applications that would have had a resultant negative impact to June 5, 2020 for advertisement extensions, late applications, and appeals for continuance of work ▪ Streamlined customs import duty deferment for business goods – allowing retailers and other importers to apply for duty deferment of up to six months subject to a minimal surcharge ▪ Suspension on Social Insurance contributions for employees and employers |
| Pension fund availability | <ul style="list-style-type: none"> ▪ <i>National Pension Scheme (Occupational Pensions) Act 1998</i> amended to allow persons under the age of 65 to voluntarily withdraw up to \$12,000 from their private, defined contribution pension plan |
| Employment Act amendment | <ul style="list-style-type: none"> ▪ <i>Employment Act 2000</i> amended with respect to lay off excluding the period from April 1, 2020 to June 30, 2020 from the calculation of the period of four months after which a lay off is deemed to be a termination for redundancy |
| Support for essential workers | <ul style="list-style-type: none"> ▪ Limited bus service (including use of minibuses) for employees of Bermuda Hospitals Board for transportation to and from place of employment ▪ Childcare services for children of essential workers at Community Youth Centre (Angle Street) and CedarBridge Academy |
| Support for the vulnerable | <ul style="list-style-type: none"> ▪ Ministry of Health Ageing & Disability Services conducted wellness checks on the vulnerable senior population ▪ Temporary shelter put into place for the unsheltered at Berkeley Institute (subsequently moved to CedarBridge Academy) |
| Training for the unemployed | <ul style="list-style-type: none"> ▪ Department of Workforce Development provided (and continues to provide) support for online training for individuals looking for a career change, or interested in learning new skills ▪ Workforce Development offers free online tutorials in Microsoft Suite and other programs ▪ Free Fintech training courses |
| Fiscal activities | <ul style="list-style-type: none"> ▪ Fiscal Responsibility Panel engaged and COVID-19 Economic Advisory Committee was established ▪ Ministry of Finance and Bermuda Monetary Authority convened an emergency meeting with the Financial Policy Council to provide a forum for preliminary discussion and advice to Minister of Finance |

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- Set-up online government forum for submission of ideas and suggestions for revitalisation of economy
- Delay start of any capital projects not yet commenced and banned non-essential Government travel
- Immediate freeze on funding of vacant posts not required in the Government's COVID-19 response or to protect Bermuda's national interests
- Reduced discretionary spending, including training, materials and supplies, clothing and uniforms
- Government and union negotiations and agreement on the following:
 - Reduction of 10% to all salaries and wages for one year (August 1, 2020 to July 31, 2021; September 1, 2020 to August 31, 2021 for Teachers and Principals);
 - All "overtime" (extra hours beyond the normal working hours and/or shift) for any reason, shall be paid at the standard work rate paid for normal working hours for one year (same period as noted above);
 - In accordance with the Public Service Superannuation Act 2000, as amended, payments by the employee and the Government may be suspended for one year or until July 31, 2021. If elected by the employee, no benefits will accrue during this period of suspension. Employees, at their own discretion, will be allowed to buy back the year of lost pensionable service;
 - In accordance with the Contributory Pensions Act 1970, as amended, the employee may suspend payments during the suspension period. The employee shall, on such form as the Director may prescribe, notify his/her employer that he/she has decided to suspend his/her contributions in respect of the suspension period; and
 - Uniforms (where applicable) shall be provided on an as needed basis subject to the examination of worn uniforms.
- Premier announced a 15% reduction for Minister salaries and 12.5% Members of the Legislature for one year