



## **THE CAYMAN ISLANDS AIRPORTS AUTHORITY**

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**REPORT TO THOSE CHARGED WITH GOVERNANCE ON THE 2019 AUDIT**

**AUGUST 2025**

***To help the public service  
spend wisely***

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# REPORT TO THOSE CHARGED WITH GOVERNANCE

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## INTRODUCTION

1. We have completed our audit of the 31 December 2019 financial statements of the Cayman Islands Airports Authority (the “Authority” or “CIAA”). International Standards on Auditing (ISAs) require that we communicate certain matters to those charged with governance of the Authority in sufficient time to enable appropriate action. The matters we are required to communicate under ISAs include:
  - auditors' responsibilities in relation to the audit
  - the overall scope and approach to the audit, including any expected limitations or additional requirements
  - relationships that may bear on our independence, and the integrity and objectivity of our staff
  - expected modifications to the audit report; and
  - significant findings from our audit.
2. This report sets out for the consideration of those charged with governance those matters arising from the audit of the financial statements for the 2019 financial year that we consider worthy of drawing to your attention.
3. This report has been prepared for the sole use of those charged with governance, and we accept no responsibility for its use by a third party. Under the *Freedom of Information Act (2018 Revision)*, it is the policy of the Office of the Auditor General to release all final reports proactively through our website: [www.auditorgeneral.gov.ky](http://www.auditorgeneral.gov.ky)

## AUDITORS RESPONSIBILITIES IN RELATION TO THE AUDIT

### AUDITOR’S RESPONSIBILITY UNDER INTERNATIONAL STANDARDS ON AUDITING

4. ISAs require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters, and this report includes only those matters of interest that came to our attention as a result of performing our audit.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

5. Management's responsibilities are detailed in the engagement letter dated September 2, 2022. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

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## OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

6. While we have no responsibility to perform any audit work on other information, including forward-looking statements, in documents containing audited financial statements, we shall read the other information contained in the Authority's annual report to consider whether such information is materially consistent with information appearing in the financial statements or our knowledge of the operations of the Authority. We have not reviewed any other documents containing the Authority's audited financial statements.

## CONDUCT, APPROACH AND OVERALL SCOPE OF THE AUDIT

7. Information on the integrity and objectivity of the Office of the Auditor General and audit staff, and the nature and scope of the audit, was outlined in the Engagement Letter presented to the Board Chairperson and follows the requirements of the ISAs. We are not aware of any impairment to our independence as auditors.

## AUDIT REPORT, ADJUSTMENTS AND MANAGEMENT REPRESENTATIONS

8. We issued an unmodified opinion on the 2019 financial statements with an emphasis of matter on non-compliance with The Public Authorities Act (2020 Revision), Section 47 - Terms and conditions and remuneration of staff.
9. A summary of corrected misstatements made to the financial statements is attached in Appendix 1. The total gross adjustments amounted to \$91.52 million for the year ended 31 December 2019. This comprised \$8.53 million of audit adjustments identified by OAG and \$82.99 million of adjustments identified by the Authority.

Appendix 2 contains a summary of uncorrected misstatements identified during the audit. Management determined these misstatements to be immaterial, both individually and in aggregate, to the financial statements taken as a whole.

10. As part of the completion of our audit, we sought written representations from management on aspects of the accounts and judgments and estimates made. Management provided us with written representations dated 15 May 2024 in respect of our financial statement audit.

## SIGNIFICANT FINDINGS FROM THE AUDIT

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### SIGNIFICANT ACCOUNTING PRACTICES

11. We are responsible for providing our views about qualitative aspects of the Authority's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures. Generally accepted accounting principles provide for the Authority to make accounting estimates and judgments about accounting policies and financial statement disclosures. Except as noted in

our audit report, we are not aware of any areas where the significant accounting practices have changed from the previous year or are not consistent with general industry practice. In addition, we are not aware of any new or controversial accounting practices reflected in the Authority's financial statements.

12. Significant findings from the audit are included in Appendix 3, along with management's response.

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#### MANAGEMENT'S JUDGMENTS AND ACCOUNTING ESTIMATES

13. Management has made significant judgments and estimates with regard to the following financial statement items:

- Depreciation of Fixed Assets- CI\$4.5m
- Fair value of Property Plant and Equipment- CI\$166.9m
- Provisions for expected credit losses- CI\$2.6m
- Post-Employment Health Benefit Liability- CI\$27.6m

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#### GOING CONCERN DOUBTS

14. As a result of our audit, we did not become aware of any material uncertainties related to events and conditions that may cast significant doubt on the Authority's ability to continue as a going concern.

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#### MATERIAL WEAKNESSES IN INTERNAL CONTROL

15. We identified a number of significant matters relating to internal controls as part of our audit. See Appendix 3 for a detailed listing of these matters, along with management responses.

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#### FRAUD OR ILLEGAL ACTS

16. Applicable auditing standards recognise that the primary responsibility for the prevention and detection of fraud and compliance with applicable Acts and regulations rests with both those charged with governance of the entity and with management. It is important that management, with the oversight of those charged with governance; place a strong emphasis on fraud prevention and fraud deterrence. They are also responsible for establishing and maintaining controls pertaining to the entity's objective of preparing financial statements that are presented fairly, in all material respects, in accordance with the applicable financial reporting framework and managing risks that may give rise to material misstatements in those financial statements. In exercising oversight responsibility, those charged with governance should consider the potential for management override of controls or other inappropriate influence over the financial reporting process.

17. As auditors, in planning and performing the audit, we are required to reduce audit risk to an acceptably low level, including the risk of undetected misstatements in the financial statements due to fraud. However, we

cannot obtain absolute assurance that material misstatements in the financial statements will be detected because of such factors as the use of judgment, the use of testing, the inherent limitations of internal control and the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature.

18. No fraud or illegal acts came to our attention as a result of our audit.

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#### SIGNIFICANT DIFFICULTIES ENCOUNTERED DURING THE COURSE OF OUR AUDIT

19. No serious difficulties were encountered in the performance of our audit.

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#### DISAGREEMENTS WITH MANAGEMENT

20. We have had no serious disagreements with management resulting from our audit.

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#### ANY OTHER SIGNIFICANT MATTERS

21. There were no other significant matters noted during the audit other than those disclosed in Appendix 3.

#### ACKNOWLEDGEMENTS

22. We would like to thank the Authority staff for their help and assistance during the audit of this year's financial statements.

Yours Sincerely,



**Angela Cullen**  
Acting Auditor General

## APPENDIX 1 – SUMMARY OF CORRECTED MISSTATEMENTS

### 1. Audit Adjustments

Account No	Name	Debit	Credit
7002-01-1	Severance Pay-Gen/Non-specific-GCM	82,500.00	
7710-10-1	Professional Fees - Finance		(82,500.00)
	Correction of misclassification of severance payment		
1405-00-0	Accrued Revenue		(2,749.59)
4610-10-1	Interest Income on Term Deposits	2,749.59	
	Correction of interest on term deposits (Accrual)		
1045-00-0	1971532 PFC Funds Qtrly-		(2,190.00)
4610-10-1	Interest Income on Term Deposits	2,190.00	
	To reverse the previous erroneous entry		
1500-00-0	Prepaid expenses		(1,071.43)
1690-00-1	Assets Under Construction	1,071.43	
	Transfer of prepayment to AUC		
1500-00-0	Prepaid expenses		(2,274.23)
1690-00-1	Assets Under Construction	2,274.23	
	Transfer from prepayments to AUC		
1500-00-0	Prepaid expenses		(9,151.44)
1690-00-1	Assets Under Construction	9,151.44	
	Transfer from Prepayments to AUC		
1500-00-0	Prepaid expenses		(62,037.00)
1690-00-1	Assets Under Construction	62,037.00	
	Transfer from prepayments to AUC		
1500-00-0	Prepaid expenses	7,958.00	
7402-15-1	Runway Maintenance-Facility & Maintenance-Grand Ca		(7,958.00)
	Adjustment from Maintenance expenses to prepaid expenses		
1405-00-0	Accrued Revenue		(34,835.69)
4200-16-1	Concession Monthly S-Commercial & Cus-Grand Cayman	34,835.69	



Account No	Name	Debit	Credit
	Reversal of accrual done in Feb		
1405-00-0	Accrued Revenue		(137,451.78)
4200-16-1	Concession Monthly S-Commercial & Cus-Grand Cayman	137,451.78	
	Reversal of Accrual		
1400-00-0	Accounts Receivable		(68,734.00)
2047-00-0	Due to Client - Security Deposits	68,734.00	
	Reversal of security deposits that were not yet paid in 2019		
1500-00-0	Prepaid expenses		(22,632.00)
1690-00-1	Assets Under Construction	22,632.00	
	Reversal of prepayment to Allen & Co. Inc for hi scan x-ray and metal detector whose payment was made in 2020		
2015-00-0	Other Current Liabilities		(12,431.18)
7422-05-1	CUPPS Support and Maintenance-IT-Grand Cayman	12,431.18	
	Correction of accrual of expenditure in line with CUPPS contract		
1690-00-1	Assets Under Construction		(11,760.00)
2000-00-0	Accounts Payable	11,760.00	
	Adjustment for 2020 invoices to cayman business mac that were recognised as payables in 2019		
1405-00-0	Accrued Revenue	56,492.47	
4010-04-1	Landing fees - GCM		(69,544.55)
4010-04-1	Landing fees - GCM	13,052.08	
	Reversing accruals in Landing fees		
1500-00-0	Prepaid expenses		(3,673.11)
2000-00-0	Accounts Payable	3,673.11	
	Reversal of payable for a 2020 invoice recognised in wrong period		
1690-00-1	Assets Under Construction	10,038.08	
2015-00-0	Other Current Liabilities		(10,038.08)
	Transfer of Millard Towers (AWOS) project that was posted in wrong GL		

Account No	Name	Debit	Credit
2015-00-0	Other Current Liabilities		(17,766.66)
7441-17-1	Communication system -CNS-Grand Cayman	17,766.66	
	Reversal and correction of errors made in the accrual of Frequentis accrual		
2000-00-0	Accounts Payable	57,444.27	
2015-00-0	Other Current Liabilities		(57,444.27)
	Reversal of overbooked payments for Insurance		
1500-00-0	Prepaid expenses		(9,836.10)
3010-00-0	Retained Earnings	9,836.10	
	Rapid scan quote from 2018		
1405-00-0	Accrued Revenue		(5,530.00)
4135-16-1	Passenger Facility Charges -CCS-GCM		(263,414.00)
4135-16-1	Passenger Facility Charges -CCS-GCM	263,068.00	
4135-16-1	Passenger Facility Charges -CCS-GCM		(326,053.00)
4135-16-1	Passenger Facility Charges -CCS-GCM		(417,105.00)
4135-18-1	Passenger Facility Charge-FBO-Grand Cayman	749,034.00	
	Reversal of unreversed accrual for PFC		
1405-00-0	Accrued Revenue		(122,591.93)
4410-16-1	Car Parking Revenue - GCM	122,591.93	
	Reversal of car park revenue accrual for December		
1661-00-1	Accumulated Depreciation Buildings	515,420.93	
3010-00-0	Retained Earnings		(515,420.93)
	PPE correcting adjustments posted to retained earnings		
1661-00-1	Accumulated Depreciation Buildings		(21,288.82)
7816-01-1	Building Rev Loss- General Non- Specific-G Cayman	21,288.82	
	Adjustment to correct accumulated depreciation and revaluation loss		
1690-00-1	Assets Under Construction	32,545.80	
1690-00-2	Assets Under Construction CYB	13,948.20	
7402-15-1	Runway Maintenance-Facility & Maintenance-Grand Ca		(46,494.00)
7402-15-1	Runway Maintenance-Facility & Maintenance-Grand Ca		
7430-15-1	Electrical Maintenance - F&M		
	Transfer of repairs to WIP		

Account No	Name	Debit	Credit
1690-00-1 7402-15-1	Assets Under Construction Runway Maintenance-Facility & Maintenance-Grand Ca  Capitalisation of repairs for Caribe Services and Equipment	110,720.88	(110,720.88)
1690-00-1 7400-15-1	Assets Under Construction General Maintenance -Facility & Maintenance-Grand  To correct repairs Entech treatment plant	20,500.00	(20,500.00)
1500-00-0 1690-00-1 7430-15-1	Prepaid expenses Assets Under Construction Electrical Maintenance - F&M Correction for PPE that had been expensed	55,080.81 55,080.81	(110,161.62)
1000-00-0 2014-00-0	CI Checking Account - RBC Stale-dated Cheques (Bank Recon)  Stale dated checks (checks older than 6 months at year end)	16,968.98	(16,968.98)
3010-00-0 3025-00-0	Retained Earnings BLDG Revaluation Reserve-General Admin-Corporate  Revaluation reserve write off for the old terminal	5,755,549.69	(5,755,549.69)
1500-00-0 1690-00-1	Prepaid expenses Assets Under Construction  To adjust duplicate entry in WIP transaction listing	17,500.00	(17,500.00)
1690-00-1 2015-00-0	Assets Under Construction Other Current Liabilities  Adjusting duplicate entries in WIP transaction listing	145,529.30	(145,529.30)
1405-00-0 4310-11-1	Accrued Revenue Advertising Rev - signs - GCM  Posting of accrued revenue payment for advertising	2,635.33	(2,635.33)
2015-00-0 7705-01-1	Other Current Liabilities Legal Fees-General Non-Specific-Grand Cayman  Adjustment to accrue unbilled legal fees	8,502.80	(8,502.80)
<b>Sub-Total</b>		<b>8,532,045.39</b>	<b>(8,532,045.39)</b>

## 2. Client Adjustments

Account No	Name	Debit	Credit
2015-00-0	Other Current Liabilities	36,000.00	
7700-10-1	Bank Charges -Finance-Grand Cayman		(36,000.00)
	Reversal of accrued bank charges		
2007-00-0	Accrued Vacation		(48,416.58)
7004-01-1	Movement in annual leave-General Non-Specific-GCM	48,416.58	
	Correction of accrued vacation. Client adjustment		
1500-00-0	Prepaid expenses	495.98	
7403-09-1	Equipment Maintenance - Security		(495.98)
	Correction of wrongly posted prepayment adjustment (Client)		
1403-00-0	Accounts Receivable - Related Parties	61,922.00	
4030-16-1	Terminal Facility Chg-GCM		(319.00)
4121-09-1	GCM Departures - Security Tax		(26,464.00)
4135-16-1	Passenger Facility Charges -CCS-GCM		(35,139.00)
	Correction of the 2015/16 postings that were done in the wrong period		
1403-00-0	Accounts Receivable - Related Parties	473,174.00	
4135-16-1	Passenger Facility Charges -CCS-GCM		(473,174.00)
	Correcting 2015/16 adjustments posted in the wrong period		
1403-00-0	Accounts Receivable - Related Parties	36,398.00	
4030-16-1	Terminal Facility Chg-GCM		(36,398.00)
	Relates to 2015/16 adjustments posted in the wrong period		
2000-00-0	Accounts Payable		(2,666.75)
7345-11-1	Advertising Expenses - BD&M	2,666.75	
	Correction of payables transaction JE 164632 credited to the wrong account. (Client)		
1405-00-0	Accrued Revenue	543,560.18	
4121-09-1	GCM Departures - Security Tax		(44,500.50)

Account No	Name	Debit	Credit
4121-09-1	GCM Departures - Security Tax		(165,700.50)
4121-09-1	GCM Departures - Security Tax		(490,805.00)
4121-09-2	CYB - GCM Security Tax	43,900.50	
4121-09-2	CYB - GCM Security Tax		(87,801.00)
4121-09-2	CYB - GCM Security Tax		(87,655.00)
4121-18-1	GCM Departures -Security Tax - GAT	240,397.50	
4121-18-2	CYB - CYB Security Tax - FBO	43,827.30	
4130-04-1	Passenger Terminal Chgs - GCM		(50,646.00)
4130-04-2	Passenger Terminal Chgs - CYB		(2,726.00)
4130-18-1	Passenger Terminal Chgs FBO - GCM	130,454.26	
4130-18-1	Passenger Terminal Chgs FBO - GCM		(72,305.74)
	Reversal of unreversed accruals (client adjustment)		
1500-00-0	Prepaid expenses		(10,281.16)
1500-00-0	Prepaid expenses	164.00	
3010-00-0	Retained Earnings	10,281.16	
3010-00-0	Retained Earnings		(164.00)
	Expensing 2018 prepayments that were in the GL (client adjustment)		
1500-00-0	Prepaid expenses	4,046.88	
1500-00-0	Prepaid expenses	15,589.46	
3010-00-0	Retained Earnings		(4,046.88)
3010-00-0	Retained Earnings		(15,589.46)
	Reversal of credit balances sitting in the Prepayments GL (client adjustment)		
1500-00-0	Prepaid expenses		(9,501.75)
3010-00-0	Retained Earnings	9,501.75	
	Expensing Frequentis maintenance from 2018 (client adjustment)		
1500-00-0	Prepaid expenses		(2,344.00)
3010-00-0	Retained Earnings	2,344.00	
	Expensing roof membrane by MREC (client adjustment) from 2018		
1500-00-0	Prepaid expenses		(2,200.00)
3010-00-0	Retained Earnings	2,200.00	

Account No	Name	Debit	Credit
	Expensing PLH (client adjustment)		
1400-00-0	Accounts Receivable	36,435.25	
2047-00-0	Due to Client - Security Deposits		(36,435.25)
	Recognise Tortuga Rum Co. Security deposit (client). Amount had already been paid by Tortuga but had not been recognised as a receivable		
1405-00-0	Accrued Revenue	2,362.50	
4225-16-1	Land Lease revenue - GCM		(2,362.50)
	Reversal of net accrual in Land lease (client)		
1000-00-0	CI Checking Account - RBC	207,376.90	
1000-02-0	CI Savings Account - CNB Brac		(4,400.74)
1010-00-0	US Checking Account - RBC	1,195,732.99	
1010-02-0	US Savings Account - CNB Brac	22.55	
1030-00-0	RBC Sav USD / Credit Card clearing		(78,468.47)
1046-00-0	Term Deposit (60 days)	1,821.54	
1122-00-0	Cash recovery (overage/shortage)		(26.45)
1400-00-0	Accounts Receivable		(1,226,393.52)
1403-00-0	Accounts Receivable - Related Parties		(2,000.00)
1405-00-0	Accrued Revenue		(25,065.03)
1501-00-0	Reimbursable expenses		(2,173.58)
2000-00-0	Accounts Payable	9,203.58	
2020-00-0	Unearned Revenue		(1,709.70)
4310-11-1	Advertising Rev - signs - GCM		(2,636.03)
4410-16-1	Car Parking Revenue - GCM		(30,559.09)
4440-20-1	Parking cards -Ground Transport Unit-Grand Cayman		(100.00)
4450-08-1	Apron Vehicle Charges		(200.00)
4475-16-1	Airport Concierge Se-General Administ-Grand Cayman		(75.00)
4550-08-1	Training Revenue		(150.00)
4600-10-1	Gain/Loss on Exchange	707.61	
4610-10-1	Interest Income on Term Deposits		(1,821.54)
7000-08-1	Salaries - Safety		(1,402.64)
7304-13-1	Official travel-CEO-Grand Cayman		(165.64)
7320-15-1	Water - Grand Cayman		(26.59)
7700-00-1	Bank Charges	64.90	
7700-10-1	Bank Charges -Finance-Grand Cayman		(20,323.38)
7701-10-1	Credit card fees-Finance-Grand Cayman		(13,650.17)
7705-16-1	Legal Fees-Commercial & Customer Serv-Grand Cayman		(3,582.50)
	Client Cash adjustments		

Account No	Name	Debit	Credit
4200-16-1	Concession Monthly S-Commercial & Cus-Grand Cayman	15,656.22	
4200-16-1	Concession Monthly S-Commercial & Cus-Grand Cayman		(14,493.69)
4700-10-1	Misc Income - GCM		(15,656.22)
4700-10-1	Misc Income - GCM	14,493.69	
	Adjustment to reverse initial incorrect reversal and post correct reversal		
1405-00-0	Accrued Revenue	34,836.00	
4700-10-1	Misc Income - GCM		(34,836.00)
	Adjustment to correct a double reversal		
1405-00-0	Accrued Revenue	4,621.95	
4230-15-1	Utilities Income - Non Gov't - GCM		(4,621.95)
	Reversal of accrual		
1405-00-0	Accrued Revenue	58,746.12	
4121-09-1	GCM Departures - Security Tax	34,870.50	
4200-16-1	Concession Monthly S-Commercial & Cus-Grand Cayman		(93,616.62)
	Correction of accruals (Client)		
1500-00-0	Prepaid expenses	85,140.29	
1600-00-1	Computer Equipment		(10,564.99)
1601-00-1	Accum Depr. Computer Equipment	145,751.37	
1601-00-2	Accum Depr. Cmptr Equip C Brac	11,719.06	
1610-00-1	Furniture & Fixtures	256,527.57	
1610-00-2	Furniture & Fixtures - C Brac	2,559.81	
1611-00-1	Accum Depr Furniture & Fixtures	11,521.15	
1611-00-2	Accum Depr Furniture & Fixtures C Brac	7,122.03	
1621-00-1	Accumulated Depreciation Vehicles	35,942.34	
1621-00-2	Accumulated depreciation vehicles CBrac		(13,984.20)
1630-00-1	Equipment	1,315,601.00	
1630-00-2	Equipment - C Brac	141,445.76	
1631-00-1	Accum Depr Equipment	145,943.71	
1631-00-2	Accum Depr Equipment - C Brac		(15,602.18)
1640-00-1	Telecommunications & ATC	104,355.82	
1640-00-2	Telecommunications & ATC - C Brac	1,100.91	
1641-00-1	Accum Depr Telecommunications & ATC Equip		(32,458.79)
1641-00-2	Accum Depr Telecommunications & ATC Equip-Brac		(3,043.11)
1660-00-1	Buildings	54,357,962.05	

Account No	Name	Debit	Credit
1660-00-2	Buildings - C Brac	306,632.00	
1661-00-1	Accum Depr Buildings	11,947,051.96	
1661-00-2	Accum Depr Buildings - C Brac	452,744.74	
1670-00-1	Land Improvements	1,331,068.08	
1670-00-2	Land Improvements - C Brac	128,861.38	
1671-00-1	Accum Depr Land Improvements		(1,300,172.68)
1671-00-2	Accum Depr Land Improve C Brac		(41,743.36)
1690-00-1	Assets Under Construction		(70,756,007.44)
1690-00-2	Assets Under Construction CYB		(515,912.05)
1700-00-1	Computer Software	143,979.14	
1701-00-1	Accum. Depr. Computer Software -Grand Cayman		(480,355.12)
1711-00-1	Accum. Depr- Server Equipment-Grand Cayman		(8,499.95)
2000-00-0	Accounts Payable		(3,406,210.55)
3010-00-0	Retained Earnings	595,999.27	
7000-15-1	Salaries--Facility & Maintenance-GCM	8,127.15	
7400-15-1	General Maintenance -Facility & Maintenance-Grand	24,862.83	
7402-15-1	Runway Maintenance-Facility & Maintenance-Grand Ca	1,880.00	
7407-15-1	Fence Repairs & Maintenance - GCM	40.00	
7418-15-1	Floors, walls & roof -Facility & Maintenance-GCM	2,595.00	
7435-17-1	AlFA Support -CNS-Grand Cayman	20,642.87	
7710-07-1	Professional Fees - Engineering	1,200.00	
7710-16-1	Professional Fees - Customer Service	1,150.00	
7720-01-1	General Insurance	282,541.98	
7800-01-1	Misc Expense - GCM		(223.31)
7816-01-1	Building Rev Loss- General Non- Specific-G Cayma	4,723,877.87	
7822-01-1	Depr. Expense Computers -General Non-Specific-GCM		(143,878.19)
7822-02-2	Depr exp computers -Cayman Brac-Cayman Brac		(12,045.20)
7823-01-1	Depr exp.- F&F -General Non-Specific-GCM		(50,539.27)
7823-02-2	Depr Exp F&F -Cayman Brac-Cayman Brac		(8,487.87)
7824-01-1	Depr Exp M/V -General Non-Specific-Grand Cayman		(51,166.47)
7824-02-2	Depr Exp M/V -Cayman Brac-Cayman Brac		(4,643.41)
7825-01-1	Depr Exp Equipment -General Non-Specific-GCM		(143,429.06)
7825-02-2	Depr Exp Equipment -Cayman Brac-Cayman Brac	30,701.48	
7826-01-1	Depr Exp -Bldg & Structue-General Non-Specific-GCM		(1,782,650.88)
7826-02-2	Depr Exp Bldg & Structure -Cayman Brac-Cayman Brac		(338,359.59)
7827-01-1	Depr Exp Land Improvements	1,590,923.42	
7827-01-2	Depr Exp Land Improvements-Brac	363,941.22	
7828-01-1	Computer Software- General GCM	484,851.20	
7829-05-1	Depr Exp Server	8,630.00	
7831-17-1	Depr Exp Telecom	41,939.02	
7831-17-2	Depr Exp Telecomm-B	3,044.19	
	Combined PPE Adjustments		



Account No	Name	Debit	Credit
1660-00-2	Buildings - C Brac		(7,239.05)
1690-00-2	Assets Under Construction CYB	7,239.05	
	Client adjustment		
1400-00-0	Accounts Receivable		(464,908.31)
4121-18-1	GCM Departures -Security Tax - GAT	232,454.16	
4121-18-2	CYB - CYB Security Tax - FBO	232,454.15	
	To correct receivables that were initially posted to accrued revenue. These were initially reversed from accrued revenue and posted against receivables		
2000-00-0	Accounts Payable	2,210.08	
7740-17-1	Other Consultancy Services-CNS		(2,210.08)
	Voiding open transaction		
2000-00-0	Accounts Payable	45.31	
8100-05-1	Software Licensing and Support		(45.31)
	Reverse a voided invoice		
1403-00-0	Accounts Receivable - Related Parties		(100.00)
4550-08-1	Training Revenue	100.00	
	Client adjustment		
3010-00-0	Retained Earnings		(16,803.49)
4010-18-1	Landing fees FBO - GCM	16,803.49	
	2018 Island air invoice posted in 2019		
2000-00-0	Accounts Payable	4,117.17	
7110-09-1	Training - Security		(4,117.17)
	Void open transaction		
1122-00-0	Cash recovery (overage/shortage)		(27.32)
1400-00-0	Accounts Receivable		(31,019.20)
4410-16-1	Car Parking Revenue - GCM	31,046.52	

Account No	Name	Debit	Credit
	Reversing car park December revenue that had been posted against receivables. Correct entry posted with the cash adjustments		
1000-00-0	CI Checking Account - RBC		(1,360.00)
4410-16-1	Car Parking Revenue - GCM	1,360.00	
	Reversing a cash adjustment for amounts that related to Prior year		
1670-00-1	Land Improvements	14,243.70	
1690-00-1	Assets Under Construction		(14,243.70)
	Asset ADJ correction for capitalised WIP		
1400-00-0	Accounts Receivable	900.68	
2000-00-0	Accounts Payable		(2,055.29)
4330-11-1	Advertising Rev - Other		(800.00)
4450-08-1	Apron Vehicle Charges		(100.00)
4600-10-1	Gain/Loss on Exchange	2,054.61	
	Post submission adjustments by client		
1400-00-0	Accounts Receivable	300.03	
1403-00-0	Accounts Receivable - Related Parties	100.00	
1500-00-0	Prepaid expenses	7.35	
1641-00-1	Accum Depr Telecommunications & ATC Equip	0.01	
2000-00-0	Accounts Payable	19.65	
4450-08-1	Apron Vehicle Charges		(200.00)
4550-08-1	Training Revenue		(200.00)
4600-10-1	Gain/Loss on Exchange		(0.03)
7402-15-1	Runway Maintenance-Facility & Maintenance-Grand Ca		(27.00)
7826-01-1	Depr Exp -Bldg & Structue-General Non-Specific-GCM		(0.01)
	Adj to agree caseware balances to FS		
		<b>82,987,726.23</b>	<b>(82,987,726.23)</b>

## APPENDIX 2 – SUMMARY OF UNCORRECTED MISSTATEMENTS

Ref no	Description	Assets	Liabilities	Equity	Income	Expenses
<b>Unrecorded - factual</b>						
1	Difference between the Accounts payable and the TB	0.00	(38,408.95)	0.00	0.00	38,408.95
2	Difference between the Accounts receivable and the TB	(36,810.37)	0.00	0.00	36,810.37	0.00
		(36,810.37)	(38,408.95)	0.00	36,810.37	38,408.95
	<b>Understated/(Overstated)</b>	<b>(36,810.37)</b>	<b>(38,408.95)</b>	<b>0.00</b>	<b>36,810.37</b>	<b>38,408.95</b>

### APPENDIX 3 - INTERNAL CONTROL MATTERS & SIGNIFICANT FINDINGS

#	Audit Finding	Risk/implication	Management Response	Implementation Date
1.	<b>Untimely preparation of bank reconciliations</b> We noted that the bank balances in the reconciliations were different from the general ledger balances. A reconciliation was carried out in 2023, four years after the year-end, resulting in significant adjustments. We also noted long-outstanding reconciling items that had not been cleared on the reconciliation reports.	<b>Risk/Implication</b> Failure to implement proper reconciliation procedures may result in errors, misstatements, and undetected fraud.  <b>Recommendation</b> Management should ensure that all bank reconciliations are done promptly and that bank accounts are reconciled to the general ledger at the end of each month.	The Finance team is challenged with performing the bank reconciliations in a timely manner due to software limitations.  We will investigate what can be done as an interim measure as we work on the financial statement back log.	June 2025
2.	<b>Non-adherence to the Procurement Regulations</b>  i. The CIAA did not start the procurement process for <u>janitorial services</u> in time and instead extended its contract with a service provider for the provision of janitorial services from May 1 <sup>st</sup> , 2019, to February 29 <sup>th</sup> , 2020, without following a competitive procurement process as required by section 4 of the Procurement Regulations of 2018. The service provider had a three-year contract with the CIAA, which ended on April 30, 2019. Two contract addenda were signed to extend the contract period, first to October 31 <sup>st</sup> , 2019, and then to February 29 <sup>th</sup> , 2020. CIAA initiated procurements in July and August 2019, both of which were cancelled. Another procurement was	<b>Risk/ Implication</b> Uncompetitive procurement processes could result in the CIAA not obtaining the best value for money.  <b>Recommendation</b> Management should always ensure compliance with the Procurement Act and Procurement Regulations. This will ensure that CIAA obtains value for money for the goods and services it procures.  Management should also initiate procurements early to avoid disruptions to operational needs.	i. It was not feasible to enter a new janitorial contract when the airport was going through a terminal expansion in 2019. The existing company was familiar with the construction works honoring the same unit rates. It was known that a new contract would have had a significant increase in cost.  Note: Service contracts are now being tracked on Bonfire to assist CIAA contracts in being tendered on time.	2022

	initiated in November, and a contract was signed on 24 <sup>th</sup> July 2020.			
3.	<b>Lack of a formal impairment review for assets</b>  The CIAA did not conduct a formal impairment assessment as required by IAS 36 (paragraph 9). The accounting standards require an entity to evaluate whether there are any signs that an asset could be impaired at the end of each reporting period.	<b>Risk/ Implication</b> Items of fixed assets could be impaired and thus valued at amounts greater than their recoverable amounts resulting in misstatement of fixed assets.  <b>Recommendation</b> CIAA should perform a formal impairment assessment at least once a year to identify if there are indicators of impairment.	Recommendation noted. This assessment will be done for each year going forward.	Dec 2025
4.	<b>Lack of a formal impairment review for Receivables</b>  We noted that CIAA did not conduct impairment tests for its receivables as required by <u>IFRS 9</u> . Management maintained the provisions made from the previous year but provided no support as to how this conclusion was reached.	<b>Risk/Implication</b> This indicates that credit risks were not adequately managed and may result in misstatements in financial statements.  <b>Recommendation</b> Management should review its receivables for collectability and provide for anticipated bad debts at the end of each reporting period. The provision for impairment should be adjusted in line with the expected credit loss estimate.  In addition, management should review its IFRS 9 methodology at the end of each year to incorporate relevant and available data.	Recommendation noted. This assessment will be done for each year going forward.	December 2024
5.	<b>Petrol Throughput billing (recurring issue)</b>  CIAA relied on fuel providers for aviation fuel sales and did not have an internal mechanism to verify fuel volumes sold. CIAA had memorandums of understanding with fuel	<b>Risk/Implication</b> This internal control weakness increases the risk of revenue loss if the fuel provider provides incorrect information.  <b>Recommendation</b>	Noted. Will continue to research how this can be independently verified without	Dec 2024

	<p>service providers and charged a rate per gallon sold.</p> <p>This is a recurring issue from the prior year.</p>	<p>Management should put in place mechanisms for verifying fuel volumes sold.</p>	<p>incurring significant third-party expenses.</p>	
6.	<p><b>Lack of signed Lease agreements (recurring issue)</b></p> <p>CIAA did not have signed lease agreements with some tenants renting their premises.</p>	<p><b>Risk/ Implication</b> This makes it harder for the Authority to enforce any rights under the agreement and exposes them to financial and legal risks in the event of a dispute.</p> <p><b>Recommendation</b> Management should ensure that CIAA has legally binding agreements with all tenants.</p>	<p>Noted.</p>	<p>Dec 2025</p>
7.	<p><b>Poor quality of audit submission and supporting schedules (recurring issue)</b></p> <p>Most of the schedules provided by the client, such as PPE, Payables, Receivables, and Accruals, were not properly prepared to reflect year-end balances. There were also significant adjustments due to unreversed or incorrectly reversed monthly accruals.</p>	<p><b>Risk/ Implication</b> This indicates that schedules and journals were not reconciled on a monthly basis, which could lead to material misstatements.</p> <p>This resulted in work delays and multiple audit adjustments.</p> <p><b>Recommendation</b> Management should periodically review and reconcile the general ledger and trial balance to reflect correct balances at the end of each reporting period.</p> <p>All journal entries should be reviewed with supporting documentation and approved by management before finalisation to ensure accurate processing.</p>	<p>The current Finance team involved in the audit was not with CIAA in 2019. As a result, there is a lot of catching up to be done, learning the CIAA recons and processes. The team has found recons have not been done, and when they are done there are correcting journals that have to be done to ensure correct and complete financial reporting.</p> <p>Recommendations are noted.</p>	<p>December 2024</p>