



# OAG Quarterly Report

30 September 2018

*To help the public  
service spend wisely*

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# INTRODUCTION

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1. This report covers the period 1<sup>st</sup> July to 30<sup>th</sup> September 2018 and the focal point of this period was the tendering and letting of new contracts for 16 SAGC financial audits for a five year period starting with the 2018 audit cycle. The Office has traditionally put a number of SAGC audits out to the firms to undertake on my behalf (but still subject to OAG review and the opinion being issued by me or jointly). Five firms put in bids for one or more of the jobs and the contracts were let to KPMG (eleven audits), Grant Thornton (three audits), Eisner Amper (National Gallery) and PwC (Stock Exchange)
2. On the 5<sup>th</sup> September 2018 our Annual Report and financial statements for the 18-month period ending 31<sup>st</sup> December 2017 was tabled in the Legislative Assembly and made a public document.
3. The period also saw work start on preparing our new five year strategy for the period 2019 to 2023 and included an all staff consultation session to kick the work off.
4. Work resumed on the financial audit back log and during the quarter the two outstanding 2014-15 audits were completed. The only outstanding audits now relate to 2015-16 (3 audits) and 2016-17 (9 audits).
5. A performance audit report entitled “*Progress update on the ORIA Terminal Redevelopment Project*” was given to the PAC at their administrative meeting on 30<sup>th</sup> August but given the report covered commercially sensitive information and was being reported on while the project was still live, the report was not made public during the quarter.
6. Along with the usual series of client and stakeholder visits and meetings, I also spoke at CAROSAI’s 30<sup>th</sup> anniversary conference in Jamaica in August and at the induction day for the new PSPB Board members in September.
7. Details of other activity undertaken and achievements during this period are given throughout the report.
8. As Auditor General, I am committed to continuing the practice of providing the PAC with regular updates on the Office’s operations to suit the PAC needs. We currently report to PAC quarterly and subsequently make these reports available on our website.

# FINANCIAL AUDIT PRACTICE

## ENTITY AUDITS – 2016-17 & PRIOR YEARS AUDITS

9. This quarter, we resumed work on the financial audit backlog and by the end of September 2018, and as detailed in Appendix A and Exhibit 1 below, thirty five financial audits for 2016-17 were completed with nine outstanding. Work on prior years audit back log resumed in early May and at the end of September 2018, the two remaining entity audits outstanding from 2014-15 (Ministry of Education, Employment and Gender Affairs (MEEGA) and the Cayman Islands Airports Authority (CIAA)) were both completed and issued with unqualified opinions. One 2015-16 audit was signed off during the period (TAB) leaving three audits remaining from 2015-16 (MEEGA, CIAA, & CINICO) and three 2016-17 audits were signed off during the quarter (MACI, Ministry of Commerce, Planning & Infrastructure & Ministry of Finance & Home Affairs) leaving nine audits remaining for 2016-17.
10. Exhibit 1 below provides a high level summary of the current state of audit completion and tabling of annual reports in the Legislative Assembly.

### Exhibit 1 – Current and prior year audits

| Year    | Number of Entity Audits | Audits Completed | Audits Outstanding | Annual Reports / Financial Statements Tabled |
|---------|-------------------------|------------------|--------------------|--|
| 2016-17 | 44                      | 35               | 9                  | 12   |
| 2015-16 | 42                      | 39               | 3                  | 30   |
| 2014-15 | 42                      | 42               | 0                  | 30   |
| 2013-14 | 42                      | 42               | 0                  | 35   |
| 2012-13 | 43                      | 43               | 0                  | 35   |
| 2011-12 | 41                      | 41               | 0                  | 37   |

11. A more detailed update on the progress on individual audits is contained in Appendices A through D on pages 14-20 with a definition of audit terms given at page 22 in Appendix E.

## ENTIRE PUBLIC SECTOR (EPS) AUDITS

12. The 2016-17 EPS account was submitted to me on 30 April 2018, the statutory deadline. Following discussion and agreement with the Financial Secretary and Accountant General, it was decided to postpone the commencement of the 2016-17 EPS audit until a substantial part of the entity audit backlog has been completed in order to try to eliminate one of the qualification points. The bulk of the fieldwork on the EPS audit for 2016-17 will be undertaken in December 2018 to February 2019 with a view to the audit being completed before the 2018 financial audit peak in March 2019.

### Exhibit 2 – EPS audit progress

| Year    | Date audit completed or progress | Audit opinion | Tabled in the Legislative Assembly |
|---------|----------------------------------|---------------|------------------------------------|
| 2016-17 | In planning                      |               |                                    |
| 2015-16 | 19 October 2017                  | Adverse       | 16 March 2018                      |
| 2014-15 | 7 December 2016                  | Adverse       | 27 March 2017                      |
| 2013-14 | 30 September 2015                | Adverse       | 24 June 2016                       |
| 2012-13 | 1 June 2015                      | Disclaimed    |                                    |
| 2011-12 | 1 June 2015                      | Disclaimed    |                                    |
| 2010-11 | 25 July 2013                     | Disclaimed    | 9 April 2014                       |
| 2009-10 | 17 November 2014                 | Disclaimed    |                                    |
| 2008-09 | 6 May 2014                       | Disclaimed    | 8 December 2014                    |

# PERFORMANCE AUDIT PRACTICE

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13. A performance audit report entitled “*Progress update on the ORIA Terminal Redevelopment Project*” was completed during this quarter. This report was put before the PAC at an administrative meeting on 30<sup>th</sup> August 2018 and has not yet been published due to commercial sensitivities given it is a live project. The Speaker has also determined not to give other MLAs a copy of the report yet and witness sessions on this report are not yet scheduled.
14. During this quarter, work came close to completion on the follow up report on past PAC recommendations; audit work continued on fighting corruption and customs and began on school education, Cayman Islands Government’s use of outsourced services and court efficiency. Detail of the position on the current performance audit work programme is given in Exhibit 3 overleaf.
15. The performance audit programme for the period 2018 to 2022 was finalized earlier this year after consultation and is published on our website. The programme will remain open to change as government risks and priorities inevitably change over time. At the moment, we are actively considering adding or bringing forward some audits relating to SAGCs given the issues that we are finding through our financial audit work and / or having reported to us by whistleblowers.
16. The Director of Performance Audit has been continuing to develop the OAG staff on performance audit techniques so that we can reduce our reliance on consultants for this work over time. This has mainly been through engaging staff in on-the-job training while undertaking performance audit work.

**Exhibit 3 – Performance Audit work programme - progress as at 30 September 2018**

| Report   | Summary  | Progress   |
|--|--|--|
| Follow up on past PAC recommendations                  | 2018 annual follow up report on progress made against PAC recommendations  | In progress.<br>Report to PAC in Q4 2018                           |
| Customs  | The audit will review the services provided by HM Customs in the Cayman Islands and determine how efficiently and effectively these are delivered.   | In progress. Report to PAC in Q4 2018                              |
| Fighting Corruption in the Cayman Islands              | An international counter corruption performance audit tool has been developed by INTOSAI and our Office is undertaking an audit using this tool to assess the effectiveness of mechanisms to prevent corruption. Two staff members are undertaking this audit while participating in the related INTOSAI learning programme. | In progress.<br>Report to PAC in Q4 2018                           |
| Cayman Islands Government’s Use of Outsourced Services | The audit will assess how effectively the Cayman Islands Government uses outsourced services to ensure that it is obtaining value for money.   | In progress<br>Indicative date:<br>Report to PAC in Q1 2019        |
| School Education                                       | The audit is currently being scoped and the audit objective, questions and criteria are still being developed.   | In planning phase.<br>Indicative date:<br>Report to PAC in Q2 2019 |
| Court Efficiency                                       | The audit is currently being scoped and the audit objective, questions and criteria are still being developed.   | In planning phase.<br>Indicative date:<br>Report to PAC in Q2 2019 |



# REPORTS REVIEWED BY PUBLIC ACCOUNTS COMMITTEE (PAC)

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17. During the quarter, the PAC met for two administrative meetings on 30<sup>th</sup> August and 11<sup>th</sup> September.
18. In addition to routine matters, both meetings worked on agreeing outstanding PAC reports and members of the PAC were given confidential copies of the OAG report on the ORIA redevelopment project at the August meeting which was further discussed at the September meeting. PAC members were updated about the OAG's progress with tendering for financial audit work at both meetings and scheduled two witness sessions for 24<sup>th</sup> and 25<sup>th</sup> October at its September administrative meeting.

# OPERATIONAL REPORT

## OAG FINANCIAL PERFORMANCE FOR THE PERIOD ENDING 30 SEPTEMBER 2018

19. Exhibit 4 provides details of the financial performance for three quarters of 2018. We have achieved a \$702,915 surplus in the first nine months, which is better than we anticipated. At this stage in the year, the Office forecasts a surplus at year end in the region of \$0.5 million. PAC members will recall that OAG made a deficit in 2016/17 largely as a consequence of only having one financial audit billing period during that eighteen month cycle due to Government changing the year end from June to December in that period. We always intended to achieve a slightly greater surplus during 2018 to offset that prior period deficit but at the moment, the surplus forecast is higher than originally budgeted. Notwithstanding the forecast year end surplus, there is a concern we will spend more than budgeted on personnel costs as a consequence of having to resource investigations while keeping the financial and performance audit work programmes on track and choosing to do this through using our own staff resources rather than bring in additional consultants. Also, during the quarter a 5% cost of living pay uplift was given to all civil servants from 1st July which has increased pay costs further. Based on our forecasts to year end we should have sufficient savings in our operating expenses and have therefore sought approval from the Financial Secretary and the Chief Officer PoCS to vire \$100,000 from operating costs to personnel costs.

### Exhibit 4 –Statement of Financial Performance for the period ending 30 September 2018

|   | 2018<br>Actuals<br>(9 months)<br>\$ | 2018<br>Budget<br>(9 months)<br>\$ | 2018<br>Variance<br>Over/(Under)<br>\$ |
|---|-------------------------------------|------------------------------------|--|
| <b>REVENUE</b>                            |                                     |                                    |  |
| Audit services provided to PAC            | 672,757                             | 545,000                            | 127,757                                |
| Audit services provided to govt. agencies | 1,917,184                           | 1,719,000                          | 198,184                                |
| Miscellaneous Receipts                    | 95                                  | 0                                  | 95                                     |
| <b>TOTAL OPERATING REVENUE</b>            | <b>2,590,036</b>                    | <b>2,264,000</b>                   | <b>326,036</b>                         |
| <b>EXPENSES:</b>                          |                                     |                                    |  |
| Personnel costs                           | 1,653,160                           | 1,596,427                          | 56,733                                 |
| Operating expenses                        | 222,202                             | 424,338                            | (202,136)                              |
| Depreciation                              | 11,759                              | 14,679                             | (2,920)                                |
| <b>TOTAL EXPENSES</b>                     | <b>1,887,121</b>                    | <b>2,035,444</b>                   | <b>(148,323)</b>                       |
| <b>NET SURPLUS</b>                        | <b>702,915</b>                      | <b>228,556</b>                     | <b>474,359</b>                         |

20. On the 5<sup>th</sup> September 2018 our Annual Report and financial statements for the 18-month period ending 31<sup>st</sup> December 2017 was tabled in the Legislative Assembly and made a public document and is available on our website at: [OAG 31 December 2017 Annual Report and Financial Statements](#).

## OAG STRATEGIC PLAN PROGRESS

21. The Office's strategic plan for 2015-2019 is available on our website and the Office continues to make good progress against its priorities. During this quarter, the Office began working on updating its strategic plan to reflect current priorities and needs especially improvements identified through the Supreme Audit Institutions (SAI) Performance Measurement Framework (PMF) review which is near completion. We will also review our resourcing model.

22. However, in advance of that the Office had to consider the package of financial audit work to offer to the market as we re-tendered our contracted out financial audit work for the five year period from the 2018 financial year. Currently, KPMG, PwC, Eisner Amper and Deloitte conduct a number of financial audits for us under contract for the period up to the 2016-17 audits. During this quarter, the package was put to the market, tenders were evaluated and contract decisions made in line with the requirements of the new procurement law save not being able to consult the Public Procurement Committee given the Government had not yet established it despite the requirements of the new Procurement Law. KPMG won six packages of work covering eleven clients those being; the Civil Aviation Authority, Cayman Airways Limited, Ombudsman, DPP, Judicial Administration, Portfolio of Legal Affairs, National Drugs Council, CAYS, Sister Islands Affordable Housing, CINICO and the Water Authority. Grant Thornton won three audits for MACI, the Turtle Centre and UCCI, Eisner Amper won the audit for the National Gallery and PwC won the audit for the Stock Exchange.

23. Staff in the Office participated in several training events and audit conferences during this period:



Auditor Generals from the Caribbean Region who attended the 30<sup>th</sup> Anniversary of CAROSAI

- Patrick and I represented the Office at CAROSAI's 30th Anniversary conference in Kingston, Jamaica from 14th to 17th August and I spoke about our work on countering corruption.

- Garnet Harrison, Gay Frye and Zenobia Badley went to Lusaka, Zambia for two weeks in August for the IDI fighting corruption work programme. Garnet attended as a facilitator and course mentor and Gay and Zenobia as the OAG audit staff leading the work on the Cayman Islands Counter corruption performance audit. This report which should be available for the PAC during the next quarter.



Gay Frye and Zenobia Badley presenting at the IDI fighting corruption workshop



Some of the participants from SAI Cayman, SAI Liberia and SAI Jamaica

- Garnet Harrison also attended the CCOLA annual conference in Prince Edward Island in September.
24. During the quarter, Garnet Harrison and Kwame Afrane became IPSAS certified and Brittany Bodden, one of our new audit trainees began her CPA training.
  25. Ray Swartz joined our office on 6th August as a temporary Audit Manager and Hayley Samuels came back to intern in our office during August. Finally, Kim Lutz, our long serving and much valued Finance and Administrative Manager retired at the end of August.



Kim Lutz, Finance & Administrative Manager Retirement party 31 August 2018

## OAG PRIORITIES FOR THE NEXT QUARTER

26. The priorities for the Office for next period are to:

- a) Finalize the OAG strategic plan for the next five year period, 2019 to 2023.
- b) Work on developing OAG staff skills through the annual OAG Retreat during week commencing 3rd December which will take in one day for audit staff at the CIIPA annual conference.
- c) Undertake 2018 interim audit work.



*Sue Winspear, CPFA*

*23<sup>rd</sup> October 2018*

*Auditor General  
George Town, Grand Cayman  
Cayman Islands*

## APPENDIX A – 2016-17 AUDITS

**Table 1 - Ministry, Portfolio, and Office audits**

| Entity  | Date Audit Completed or Progress | Audit Opinion | Tabled in the Legislative Assembly |
|---|----------------------------------|---------------|------------------------------------|
| Cabinet Office  | 30 April 2018                    | Unqualified   |                                    |
| Director of Public Prosecution  | 30 April 2018                    | Unqualified   | 12 September 2018                  |
| Information Commissioner's Office (from 1 July 2016 to 12 September 2017)     | 30 April 2018                    | Unqualified   |                                    |
| Judicial Administration   | 30 April 2018                    | Unqualified   |                                    |
| Ministry of Community Affairs   | 3 May 2018                       | Qualified     |                                    |
| Ministry of District Admin, Tourism & Transport                               | 3 May 2018                       | Unqualified   | 28 June 2018                       |
| Ministry of Education, Youth, Sports, Agriculture and Lands                   | In planning                      |               |                                    |
| Ministry of Finance and Economic Development                                  | 8 April 2018                     | Unqualified   | 27 June 2018                       |
| Ministry of Human Resources and Immigration                                   | 30 April 2018                    | Qualified     |                                    |
| Ministry of Financial Services and Home Affairs                               | 13 July 2018                     | Unqualified   |                                    |
| Ministry of Health, Environment, Culture and Housing                          | In planning                      |               |                                    |
| Ministry of Commerce, Planning and Infrastructure                             | 13 July 2018                     | Unqualified   |                                    |
| Office of the Complaints Commissioner (from 1 July 2016 to 12 September 2017) | 30 April 2018                    | Unqualified   |                                    |
| Office of the Ombudsman (from 13 September 2017)                              | 30 April 2018                    | Unqualified   |                                    |
| Portfolio of the Civil Service  | 30 April 2018                    | Unqualified   |                                    |
| Portfolio of Legal Affairs  | 2 May 2018                       | Unqualified   | 27 June 2018                       |

**Table 2 – Statutory Authority and Government Company audits**

| Entity  | Date Audit Completed or Progress | Audit Opinion | Tabled in the Legislative Assembly |
|---|----------------------------------|---------------|------------------------------------|
| Auditor Oversight Authority   | 20 April 2018                    | Unqualified   | 27 June 2018                       |
| Cayman Airways Ltd.   | 25 May 2018                      | Unqualified   |                                    |
| Cayman Islands Airports Authority   | Not started                      |               |                                    |
| Cayman Islands Development Bank   | 17 May 2018                      | Unqualified   |                                    |
| Cayman Islands Monetary Authority   | 30 April 2018                    | Unqualified   | 28 June 2018                       |
| Cayman Islands National Insurance Company   | In Planning                      |               |                                    |
| Cayman Islands National Museum  | Substantially complete           |               |                                    |
| Cayman Islands Stock Exchange   | 30 April 2018                    | Unqualified   | 27 June 2018                       |
| Cayman National Cultural Foundation   | 30 April 2018                    | Qualified     |                                    |
| Cayman Turtle Farm (1983) Ltd.  | In progress                      |               |                                    |
| Cays Foundation   | 30 April 2018                    | Unqualified   |                                    |
| Civil Aviation Authority  | 30 April 2018                    | Unqualified   | 28 June 2018                       |
| Electricity Regulatory Authority (from 1 July 2016 to 15 January 2017)                    | 30 April 2018                    | Unqualified   | 27 June 2018                       |
| Health Services Authority   | 30 April 2018                    | Qualified     |                                    |
| Information and Communications Technology Authority (from 1 July 2016 to 15 January 2017) | 30 April 2018                    | Unqualified   | 27 June 2018                       |
| Maritime Authority of the Cayman Islands  | 8 August 2018                    | Unqualified   |                                    |
| National Drug Council   | 30 April 2018                    | Unqualified   |                                    |
| National Gallery of the Cayman Islands  | 30 April 2018                    | Unqualified   |                                    |
| National Housing and Development Trust  | 30 April 2018                    | Unqualified   |                                    |
| National Roads Authority  | Substantially complete           |               |                                    |
| Port Authority of the Cayman Islands  | In progress                      |               |                                    |
| Public Service Pensions Board   | 30 April 2018                    | Unqualified   |                                    |
| Sister Islands Affordable Housing   | 30 April 2018                    | Unqualified   | 28 June 2018                       |
| Segregated Insurance Fund   | 19 April 2018                    | Unqualified   |                                    |
| Tourism Attractions Board   | Substantially complete           |               |                                    |
| University College of the Cayman Islands  | 30 April 2018                    | Unqualified   |                                    |
| Utilities Regulation and Competition Office (from 16 January 2017)                        | 30 April 2018                    | Unqualified   | 27 June 2018                       |
| Water Authority   | 30 April 2018                    | Unqualified   |                                    |

## APPENDIX B – 2015-16 AUDITS

**Table 1 - Ministry, Portfolio, and Office audits**

| Entity   | Date Audit Completed or Progress | Audit Opinion | Tabled in the Legislative Assembly |
|--|----------------------------------|---------------|------------------------------------|
| Cabinet Office   | 28 February 2018                 | Unqualified   |                                    |
| Director of Public Prosecution                                       | 31 October 2016                  | Unqualified   | 27 March 2017                      |
| Information Commissioner's Office                                    | 31 October 2016                  | Unqualified   | 22 March 2017                      |
| Judicial Administration  | 31 October 2016                  | Qualified     | 27 March 2017                      |
| Ministry of Community Affairs, Youth & Sports                        | 15 September 2017                | Unqualified   | 14 March 2018                      |
| Ministry of District Admin, Tourism & Transport                      | 18 November 2016                 | Unqualified   | 27 March 2017                      |
| Ministry of Education, Employment and Gender Affairs                 | In Progress                      |               |                                    |
| Ministry of Finance and Economic Development                         | 25 October 2016                  | Unqualified   | 15 March 2017                      |
| Ministry of Home Affairs   | 31 October 2016                  | Unqualified   | 24 February 2017                   |
| Ministry of Financial Services, Commerce and Environment             | 31 October 2016                  | Unqualified   | 24 February 2017                   |
| Ministry of Health and Culture                                       | 3 August 2018                    | Unqualified   |                                    |
| Ministry of Planning, Lands, Agriculture, Housing and Infrastructure | 31 October 2016                  | Unqualified   | 15 March 2017                      |
| Office of the Complaints Commissioner                                | 31 October 2016                  | Unqualified   | 22 March 2017                      |
| Portfolio of the Civil Service                                       | 31 October 2016                  | Unqualified   | 16 March 2018                      |
| Portfolio of Legal Affairs   | 31 October 2016                  | Unqualified   | 27 March 2017                      |



**Table 2 – Statutory Authority and Government Company audits**

| Entity  | Date Audit Completed or Progress | Audit Opinion | Tabled in the Legislative Assembly |
|---|----------------------------------|---------------|------------------------------------|
| Auditor Oversight Authority                         | 21 October 2016                  | Unqualified   | 24 February 2017                   |
| Cayman Airways Ltd.                                 | 24 February 2017                 | Unqualified   | 14 March 2018                      |
| Cayman Islands Airports Authority                   | In Progress                      |               |                                    |
| Cayman Islands Development Bank                     | 26 October 2016                  | Unqualified   | 22 February 2017                   |
| Cayman Islands Monetary Authority                   | 20 December 2016                 | Unqualified   | 1 November 2017                    |
| Cayman Islands National Insurance Company           | Substantially Complete           |               |                                    |
| Cayman Islands National Museum                      | 26 October 2016                  | Qualified     | 23 August 2017                     |
| Cayman Islands Stock Exchange                       | 28 October 2016                  | Unqualified   | 24 February 2017                   |
| Cayman National Cultural Foundation                 | 31 October 2016                  | Qualified     |                                    |
| Cayman Turtle Farm (1983) Ltd.                      | 28 October 2016                  | Unqualified   | 22 February 2017                   |
| Cays Foundation                                     | 26 October 2016                  | Unqualified   | 22 February 2017                   |
| Civil Aviation Authority                            | 31 October 2016                  | Unqualified   | 24 February 2017                   |
| Electricity Regulatory Authority                    | 27 October 2016                  | Unqualified   | 22 February 2017                   |
| Health Services Authority                           | 13 April 2017                    | Qualified     | 23 August 2017                     |
| Information and Communications Technology Authority | 31 October 2016                  | Unqualified   | 27 June 2018                       |
| Maritime Authority of the Cayman Islands            | 31 October 2016                  | Qualified     | 24 February 2017                   |
| National Drug Council                               | 21 October 2016                  | Unqualified   |                                    |
| National Gallery of the Cayman Islands              | 28 October 2016                  | Qualified     | 23 August 2017                     |
| National Housing and Development Trust              | 24 October 2017                  | Unqualified   |                                    |
| National Roads Authority                            | 26 May 2017                      | Unqualified   | 14 March 2018                      |
| Port Authority of the Cayman Islands                | 15 September 2017                | Unqualified   |                                    |
| Public Service Pensions Board                       | 28 October 2016                  | Unqualified   | 15 March 2017                      |
| Sister Islands Affordable Housing                   | 31 October 2016                  | Unqualified   | 27 March 2017                      |
| Segregated Insurance Fund                           | 26 October 2016                  | Unqualified   | 22 February 2017                   |
| Tourism Attractions Board                           | 8 August 2018                    | Unqualified   |                                    |
| University College of the Cayman Islands            | 26 October 2016                  | Unqualified   |                                    |
| Water Authority                                     | 31 October 2016                  | Unqualified   | 14 March 2018                      |

## APPENDIX C – 2014-15 AUDITS

**Table 1 - Ministry, Portfolio, and Office audits**

| Entity   | Date Audit Completed or Progress | Audit Opinion | Tabled in the Legislative Assembly |
|--|----------------------------------|---------------|------------------------------------|
| Cabinet Office   | 23 March 2017                    | Unqualified   |                                    |
| Director of Public Prosecution                                       | 30 October 2015                  | Unqualified   | 5 October 2016                     |
| Information Commissioner's Office                                    | 30 October 2015                  | Unqualified   | 18 November 2015                   |
| Judicial Administration  | 30 October 2015                  | Qualified     | 7 October 2016                     |
| Ministry of Community Affairs, Youth & Sports                        | 30 September 2016                | Unqualified   | 24 February 2017                   |
| Ministry of District Admin, Tourism & Transport                      | 31 October 2015                  | Qualified     | 27 April 2016                      |
| Ministry of Education, Employment and Gender Affairs                 | 31 August 2018                   | Unqualified   |                                    |
| Ministry of Finance and Economic Development                         | 29 October 2015                  | Unqualified   | 5 October 2016                     |
| Ministry of Home Affairs   | 31 October 2015                  | Unqualified   | 1 June 2016                        |
| Ministry of Financial Services, Commerce and Environment             | 30 October 2015                  | Unqualified   | 5 October 2016                     |
| Ministry of Health and Culture                                       | 25 September 2017                | Unqualified   |                                    |
| Ministry of Planning, Lands, Agriculture, Housing and Infrastructure | 20 October 2016                  | Unqualified   | 15 March 2017                      |
| Office of the Complaints Commissioner                                | 30 October 2015                  | Unqualified   | 5 October 2016                     |
| Portfolio of the Civil Service                                       | 30 November 2015                 | Unqualified   | 20 October 2016                    |
| Portfolio of Legal Affairs   | 30 October 2015                  | Unqualified   | 5 October 2016                     |

**Table 2 – Statutory Authority and Government Company audits**

| Entity                                    | Date Audit Completed or Progress | Audit Opinion | Tabled in the Legislative Assembly |
|---|----------------------------------|---------------|------------------------------------|
| Auditor Oversight Authority               | 30 October 2015                  | Unqualified   | 4 May 2016                         |
| Cayman Airways Ltd.                       | 18 March 2016                    | Unqualified   | 7 October 2016                     |
| Cayman Islands Airports Authority         | 31 August 2018                   | Unqualified   |                                    |
| Cayman Islands Development Bank           | 30 October 2015                  | Unqualified   | 5 October 2016                     |
| Cayman Islands Monetary Authority         | 31 March 2016                    | Unqualified   | 24 February 2017                   |
| Cayman Islands National Insurance Company | 8 December 2017                  | Unqualified   | 27 June 2018                       |
| Cayman Islands National Museum            | 17 December 2015                 | Qualified     | 1 June 2016                        |
| Cayman Islands Stock Exchange             | 30 October 2015                  | Unqualified   | 5 October 2016                     |
| Cayman National Cultural Foundation       | 30 October 2015                  | Unqualified   | 15 March 2017                      |
| Cayman Turtle Farm                        | 30 October 2015                  | Unqualified   |                                    |
| Cays Foundation                           | 28 October 2015                  | Qualified     | 27 April 2016                      |
| Civil Aviation Authority                  | 30 October 2015                  | Unqualified   | 27 April 2016                      |
| Electricity Regulatory Authority          | 13 October 2015                  | Unqualified   | 27 April 2016                      |
| Health Services Authority                 | 7 September 2016                 | Qualified     | 22 February 2017                   |
| Information and Communications Technology | 31 October 2015                  | Unqualified   | 5 October 2016                     |
| Maritime Authority of the Cayman Islands  | 28 October 2015                  | Qualified     | 27 April 2016                      |
| National Drug Council                     | 30 October 2015                  | Unqualified   |                                    |
| National Gallery of the Cayman Islands    | 26 October 2015                  | Qualified     |                                    |
| National Housing and Development Trust    | 16 December 2016                 | Unqualified   |                                    |
| National Roads Authority                  | 13 December 2016                 | Qualified     | 14 March 2018                      |
| Port Authority of the Cayman Islands      | 7 October 2016                   | Unqualified   | 22 February 2017                   |
| Public Service Pensions Board             | 29 October 2015                  | Unqualified   | 6 May 2016                         |
| Sister Islands Affordable Housing         | 26 January 2016                  | Unqualified   |                                    |
| Segregated Insurance Fund                 | 13 April 2016                    | Unqualified   | 22 February 2017                   |
| Tourism Attractions Board                 | 21 November 2017                 | Unqualified   |                                    |
| University College of the Cayman Islands  | 24 August 2016                   | Unqualified   |                                    |
| Water Authority                           | 29 October 2015                  | Unqualified   | 5 October 2016                     |

## APPENDIX D – 2013-14 AUDITS

**Table 1 – Ministry, Portfolio and Office audits**

| Entity   | Date Audit Completed or Progress | Audit Opinion | Tabled in the Legislative Assembly |
|--|----------------------------------|---------------|------------------------------------|
| Cabinet Office   | 1 May 2015                       | Qualified     | 13 August 2015                     |
| Director of Public Prosecutions                                      | 31 October 2014                  | Unqualified   | 20 May 2015                        |
| Information Commissioners Office                                     | 31 October 2014                  | Unqualified   |                                    |
| Judicial Administration  | 31 October 2014                  | Qualified     | 15 April 2015                      |
| Ministry of Community Affairs  | 31 October 2014                  | Unqualified   | 27 November 2014                   |
| Ministry of District Administration, Tourism and Transport           | 31 October 2014                  | Qualified     | 27 November 2014                   |
| Ministry of Education, Employment and Gender Affairs                 | 2 March 2018                     | Qualified     |                                    |
| Ministry of Finance and Economic Development                         | 25 May 2015                      | Qualified     | 13 August 2015                     |
| Office of the Complaints Commissioner                                | 31 October 2014                  | Unqualified   | 12 August 2015                     |
| Portfolio of the Civil Service                                       | 31 October 2014                  | Unqualified   | 27 November 2014                   |
| Portfolio of Legal Affairs   | 31 October 2014                  | Qualified     | 17 April 2015                      |
| Ministry of Financial Services, Commerce and Environment             | 13 July 2015                     | Unqualified   | 19 October 2015                    |
| Ministry of Health, Youth, Sports and Culture                        | 25 September 2017                | Unqualified   |                                    |
| Ministry of Home Affairs   | 30 June 2015                     | Qualified     | 18 October 2015                    |
| Ministry of Planning, Lands, Agriculture, Housing and Infrastructure | 10 August 2015                   | Qualified     | 18 October 2015                    |

**Table 2 – Statutory Authority and Government Company audits**

| <b>Entity</b>   | <b>Date Audit Completed or Progress</b> | <b>Audit Opinion</b> | <b>Tabled in the Legislative Assembly</b> |
|---|---|----------------------|---|
| Auditor Oversight Authority                               | 31 October 2014                         | Unqualified          | 15 April 2015                             |
| Cayman Airways Limited                                    | 15 May 2015                             | Unqualified          | 18 October 2015                           |
| Cayman Islands Airport Authority                          | 20 December 2017                        | Unqualified          |   |
| Cayman Islands Development Bank                           | 22 April 2015                           | Unqualified          | 18 November 2015                          |
| Cayman Islands Monetary Authority                         | 31 October 2014                         | Unqualified          | 15 April 2015                             |
| Cayman Islands National Insurance Company                 | 7 October 2016                          | Unqualified          | 15 March 2017                             |
| Cayman Islands National Museum                            | 26 June 2015                            | Qualified            | 18 October 2015                           |
| Cayman Islands Stock Exchange                             | 17 October 2014                         | Unqualified          | 19 October 2015                           |
| Cayman National Cultural Foundation                       | 31 October 2014                         | Unqualified          | 15 April 2015                             |
| Cayman Turtle Farm (1983) Ltd.                            | 29 October 2014                         | Qualified            | 12 August 2015                            |
| Children & Youth Services Foundation                      | 20 May 2015                             | Qualified            | 18 October 2015                           |
| Civil Aviation Authority                                  | 6 November 2014                         | Qualified            | 15 April 2015                             |
| Electricity Regulatory Authority                          | 31 October 2014                         | Unqualified          | 19 June 2015                              |
| Health Services Authority                                 | 21 December 2015                        | Qualified            | 5 October 2016                            |
| Information and Communications Technology Authority       | 31 October 2014                         | Unqualified          | 19 June 2015                              |
| Maritime Authority of the Cayman Islands                  | 31 October 2014                         | Unqualified          | 27 November 2014                          |
| National Drug Council                                     | 27 October 2014                         | Unqualified          |   |
| National Gallery of the Cayman Islands                    | 30 October 2014                         | Qualified            |   |
| National Housing Development Trust                        | 30 April 2015                           | Unqualified          | 12 August 2015                            |
| National Roads Authority                                  | 30 October 2014                         | Unqualified          | 19 June 2015                              |
| Port Authority of the Cayman Islands                      | 31 October 2014                         | Qualified            | 12 August 2015                            |
| Public Service Pensions Board                             | 31 October 2014                         | Unqualified          | 8 December 2014                           |
| Segregated Insurance Fund                                 | 9 June 2015                             | Unqualified          | 18 October 2015                           |
| Sister Islands Affordable Housing Development Corporation | 1 June 2015                             | Unqualified          | 18 October 2015                           |
| Tourism Attraction Board                                  | 25 May 2017                             | Qualified            | 2 November 2017                           |
| University College of the Cayman Islands                  | 30 October 2014                         | Unqualified          |   |
| Water Authority of the Cayman Islands                     | 31 October 2014                         | Unqualified          | 18 October 2015                           |

## APPENDIX E – DEFINITIONS

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The opinions that I can render on an entity's financial statements and their definitions are as follows:

- **Unqualified** - The information contained in the financial statements can be relied upon;
- **Qualified** - A qualified opinion means that a portion of the financial statements cannot be relied upon, but that the rest of the statements can be relied upon by the reader;
- **Adverse** - There are such significant deficiencies with the information in the financial statements they should be considered unreliable for the user and the information contained therein is not trustworthy; and
- **Disclaimer** - I was not provided with sufficient information to conduct an audit.

The definitions of the audit status are as follows:

- **Finalized** - Financial statements completed/draft opinion provided (awaiting approval by entity)
- **Substantially complete** - Financial statements submitted/audit fieldwork complete
- **In progress** - Financial statements submitted/audit in progress
- **Not commenced** - Financial statements submitted/audit not started due to operational matters