

FINANCIAL REPORTING OF THE CAYMAN ISLANDS  
GOVERNMENT



OCTOBER 2022



**To help the public  
service spend wisely**

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# GLOSSARY

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<b>Audit opinion</b>	<p>The overall conclusion of the Auditor General on the financial statements (in common with an independent auditor governed by International Standards on Auditing). The opinion can be one of four types and the type indicates the level of reliance users can place on the financial statements:</p> <ul style="list-style-type: none"><li>• Clean or unqualified opinion (technical term: unmodified) – the information contained in the financial statements can be relied on.</li><li>• Qualified opinion – a portion of the financial statements cannot be relied on, but the reader can rely on the rest of the financial statements.</li><li>• Adverse opinion – the deficiencies in the information in the financial statements are so significant that they should be considered unreliable by the user, and the information contained therein is not considered trustworthy.</li><li>• Disclaimer – the auditor was not provided with sufficient information to conduct an audit (in essence, this is not an opinion).</li></ul>
<b>Coercive revenue</b>	<p>Revenues based on the Government’s inherent powers to charge those within its jurisdiction; or revenue earned by core government entities using the coercive power of the state and for which no direct exchange of service occurs.</p>
<b>Contingent liability</b>	<p>A possible obligation that may arise in the future depending on the outcome of a specific or an uncertain event. A contingent liability is reported only when its potential value can be estimated.</p>
<b>Core government</b>	<p>Ministries, portfolios and independent offices of the Cayman Islands Government. Ministries, portfolios and independent offices are referred to as core government entities.</p>
<b>Depreciation and amortisation</b>	<p>Depreciation is the mechanism used to allocate the cost of a tangible asset (for example land and buildings) over the estimated useful life of the asset. Amortisation is the process of allocating the cost of an intangible asset (for example computer software) over the estimated useful life of the asset. The cost of capitalised tangible and intangible assets is allocated as an expense to each of the benefiting periods through the depreciation and amortisation process.</p>
<b>Emphasis of Matter paragraph</b>	<p>A paragraph included in the auditor’s report that refers to a matter appropriately presented or disclosed in the financial statements that, in the auditor’s judgement, is of such importance that it is fundamental to users’ understanding of the financial statements.</p>
<b>Entire public sector (EPS)</b>	<p>The core government and all statutory authorities and government companies (SAGCs).</p>

<b>Executive transactions</b>	Financial transactions that are under the direct legal responsibility of ministers and are administered by core government entities on their behalf (in contrast to entity transactions, which are under the direct legal responsibility of the heads of public entities, e.g. Chief Officers or Chief Executive Officers). These include coercive revenues, transfer payments, executive assets and debts (and the related financing expenses). Examples of executive assets are infrastructure, heritage assets and other assets that are generally for the welfare of the entire country, in contrast to assets for the specific use of public entities to deliver their services (such as a hospital building). Other kinds of executive transactions are defined separately.
<b>Other Matter paragraph</b>	A paragraph included in the auditor's report that refers to a matter other than those presented or disclosed in the financial statements that, in the auditor's judgement, is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report.
<b>Public bodies</b>	Any one of the entities responsible for separate financial accountability and reporting in the Cayman Islands Government, i.e. a ministry, portfolio, independent office, statutory authority or government company.
<b>Statutory Authorities and Government Companies (SAGCs)</b>	Any one of the entities owned by Government that is not in core government. Statutory authorities have been created by specific Acts (e.g. the Water Authority was created under the <i>Water Authority Act</i> ), while government companies have been organised under the <i>Companies Act</i> (i.e. similar to any company operating and present in the Cayman Islands, such as the Cayman Islands Stock Exchange Ltd).

# LIST OF ABBREVIATIONS

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AOA – Auditors Oversight Authority	MFSC – Ministry of Financial Services and Commerce
CAA – Civil Aviation Authority	MFSHA – Ministry of Financial Services and Home Affairs
CAL – Cayman Airways Limited	MHA – Ministry of Home Affairs
CAYS – Children and Youth Services Foundation	MHW – Ministry of Health and Wellness
CIAA – Cayman Islands Airports Authority	MIISD – Ministry of Investment, Innovation and Social Development
CIDB – Cayman Islands Development Bank	MITIAMA – Ministry of International Trade, Investment, Aviation and Maritime Affairs
CIG – Cayman Islands Government	MPAHI – Ministry of Planning, Agriculture, Housing and Infrastructure.
CIMA – Cayman Islands Monetary Authority	MSCR – Ministry of Sustainability and Climate Resiliency
CINICO – Cayman Islands National Insurance Company	MTT – Ministry of Tourism and Transport
CINM – Cayman Islands National Museum	MYSCH – Ministry of Youth, Sports, Culture and Heritage
CIP – Cayman Islands Parliament	NDC – National Drug Council
CISE – Cayman Islands Stock Exchange Ltd.	NGCI – National Gallery of the Cayman Islands
CNCF – Cayman National Cultural Foundation	NHDT – National Housing and Development Trust
CO – Cabinet Office	NRA – National Roads Authority
CTC – Cayman Turtle Conservation and Education Centre Limited	OAG – Office of the Auditor General
DPP - Office of the Director of Public Prosecutions	OCP – Office of the Commissioner of Police
EPS – Entire Public Sector	OMB – Office of the Ombudsman
HSA – Health Services Authority	PAA – <i>Public Authorities Act, 2020 Revision</i>
IAS – International Accounting Standards	PACI – Port Authority of the Cayman Islands
IASB – International Accounting Standards Board	PLA – Portfolio of Legal Affairs
IFRS – International Financial Reporting Standards	PMFA – <i>Public Management and Finance Act</i>
IPSAS – International Public Sector Accounting Standards	PoCS – Portfolio of the Civil Service
JA – Judicial Administration	PSPB – Public Service Pensions Board
MACI – Maritime Authority of the Cayman Islands	SAGC – Statutory authority and government company
MBCL – Ministry of Border Control and Labour	SIAHDC – Sister Islands Affordable Housing Development Corporation
MCA – Ministry of Community Affairs	SIF – Segregated Insurance Fund
MCPI – Ministry of Commerce, Planning and Infrastructure	TAB – Tourism Attractions Board
MDAL – Ministry of District Administration and Lands	UCCI – University College of the Cayman Islands
MOE – Ministry of Education	URCO – Utility Regulation and Competition Office
MFED – Ministry of Finance and Economic Development	WACI – Water Authority of the Cayman Islands





# EXECUTIVE SUMMARY

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Section 61 of the *Public Management Finance Act, 2020 Revision* (PMFA), requires me to present to the House of Parliament the results of all audits conducted and any significant matters I would like to bring to the attention of Parliament. This report does just that. The reporting and accountability framework requires public bodies to prepare and present financial statements and annual reports to my office for audit. The annual reports and financial statements are essential documents that enable the House of Parliament and the residents of the Cayman Islands to hold the Government and individual public bodies accountable for their use of public money. This report includes, for the first time, recommendations for the issues that I have noted.

Most of the public bodies' 2021 financial audits are complete, i.e. 43 out of 50 audits. I am delighted that, to date, of those audited, all received unqualified audit opinions.

It is worth noting that the 2020 and 2021 audits of the consolidated Entire Public Sector (EPS) account are ongoing. The EPS account includes the consolidation of the 24 ministries, portfolios and offices (including the Office of the Auditor General), 26 statutory authorities and government companies (SAGCs), and the 'executive transactions' of the Government, including transfer payments, coercive revenues, executive assets and liabilities. As a result of the 2021 general election, the number of core government entities increased from 17 to 24, which increased the number of public bodies to be audited in 2021 to 50 (from 43 in 2020). For the 2019 and 2018 financial years, as well as the 2016–17 financial period, the EPS account of the Government received an adverse opinion because of numerous issues. This report does not cover the EPS account and the various related issues in great detail but includes a summary of issues that led to the 2019 adverse opinion. Financial performance at the EPS level was covered extensively in a separate performance audit report on financial management and reporting that my Office issued in May 2021.<sup>1</sup>

In this report, I describe the state of financial management and reporting in the Cayman Islands public sector over recent years and suggest improvements. The report includes appendices that show the status of the 2021, 2020, 2019, 2018 and 2016–17 audits, including the audit opinions I issued (Appendix A). This report also includes appendices that are rich in information about the 2021 financial performance of the individual ministries, portfolios and offices (Appendix B) and SAGCs (Appendix C), as well as supporting financial analysis of them (Appendices D and E). I have also provided details of the 2021 matters raised through the 'emphasis of matter' and 'other matter' paragraphs on the audit opinion and an update on the 2020 matters raised. Appendix G contains a list of all public bodies and their auditors.

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<sup>1</sup> *Improving Financial Accountability and Transparency: Financial Management and Reporting*, Office of the Auditor General, May 2021.

Based on the 19 core government audits completed, the financial results of ministries, portfolios and offices show that all but three recorded a surplus in 2021. The Ministry of Planning, Agriculture, Housing and Infrastructure (MPAHI) and the Office of the Commissioner of Police (OCP) recorded deficits for the 2021 financial year, while the Ministry of Finance and Economic Development (MFED) broke even.

The financial results reported by SAGCs for 2021 continue to present a mixed and varied picture. Of the 24 completed SAGC audits, 17 recorded surpluses, six recorded deficits and the remaining one broke even. Appendices C and E provide further details of SAGCs' financial performance. Five SAGCs recorded the most significant surpluses: the Health Services Authority (HSA), the Port Authority of the Cayman Islands (PACI), the Cayman Islands Monetary Authority, the Segregated Insurance Fund and the Civil Aviation Authority.

The surpluses for HSA and PACI are mainly due to technical issues, including revaluation gains on land and buildings and the remeasurement of post-retirement pension and healthcare liabilities, rather than from operating activities. In 2021, the HSA made an overall surplus of \$55 million, only \$8.0 million of which was net income from operations. The remaining amount was made up of a revaluation surplus of \$15 million, a remeasurement gain on the defined healthcare benefit of \$27 million and a \$4.5 million gain on the remeasurement of the defined benefit pension plan. The PACI made an overall surplus of \$11 million. However, it made a net loss from operations of \$3.5 million. The surplus was achieved through a property revaluation gain of \$10.4 million and a defined healthcare plan remeasurement gain of \$4.2 million. Of the five SAGCs reporting deficits, the Water Authority of the Cayman Islands (WACI) and the National Housing Development Trust (NHDT) recorded the most significant. The deficit for WACI was primarily due to the remeasurement of the post-retirement employee healthcare liability. The WACI's liability increased by 90% to \$46.2 million in 2021.

Appendices C and E demonstrate that a considerable proportion of SAGCs continue to show signs that they are under financial strain. As noted in my previous General Reports, this is likely to continue in most instances without changes in operations, business restructuring, or ongoing and further government support or changes in government policy. In particular, Appendix E shows that Cayman Airways Limited (CAL), Cayman Turtle Conservation and Education Centre Limited (CTC), NHDT and the National Roads Authority (NRA) have consistently recorded year-on-year deficits.

I am pleased to report that public bodies now routinely prepare annual reports to accompany their financial statements. I recommend that Members of Parliament (MPs) and the public read these to get a much fuller and deeper understanding of government business. The laying of annual reports in Parliament improved in the 2020 and 2019 financial years. However, it is disappointing to note that, at the time of writing this report, only 8 of the 43 completed 2021 audits had been laid in Parliament. Although the Cabinet has approved some public bodies' annual reports for tabling in Parliament, most reports have not been approved. In addition, Parliament does not sit frequently enough to table these reports. I strongly urge all public bodies to lay their annual reports and financial statements in Parliament in a timely manner and publish these on their websites as soon as possible. I further urge Parliament to meet more frequently

so that it may table these reports. Appendix A shows when entity annual reports were laid in the House of Parliament.

My Office looks forward to continuing our work with the Cayman Islands Government and individual public bodies as they continue to improve financial reporting and ensure accountability for the use of public funds.

# INTRODUCTION

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1. I am pleased to present to the House of Parliament this report summarising the outcomes and status of my Office's financial audits of 50 (including EPS and excluding OAG) public bodies for the year ending 31 December 2021. The 50 public bodies consist of the entire public sector (EPS), 24 ministries, portfolios and offices, and 26 statutory authorities and government companies (SAGCs).<sup>2</sup> I believe that Members of Parliament will find this report helpful in their role in ensuring that the Cayman Islands Government (the Government) is financially accountable and transparent in its operations.
2. My staff conduct 35 of the 50 financial audits in-house. Private sector firms (namely Eisner Amper, Grant Thornton, KPMG and PwC) conduct the remaining 15, which are subject to a final quality review by the Office of the Auditor General (OAG) and my sign-off. Appendix F shows the audits that my staff undertook and those that were outsourced to private sector firms.
3. I reported in previous years that public bodies have made significant improvements in preparing and presenting annual reports to accompany their financial statements. An annual report provides readers with data and analysis on the financial performance of public bodies during the financial period in question. Most public bodies produced annual reports for the 2021 financial year and submitted them to my office for review and verification in 2022. However, it is disappointing to note that, at the time of writing this report, only 8 of the 43 completed 2021 audits had been laid in Parliament.
4. This report does not include any performance information for the OAG. The EPS audits for 2020 and 2021 are ongoing. For the 2021 financial year, the EPS comprises the consolidation of 24 ministries, portfolios and offices (including the OAG), 26 SAGCs and the additional government income, expenditure, assets and liabilities that are considered 'executive'; for the 2020 financial year, the EPS comprises the consolidation of 17 ministries, portfolios and offices (including the OAG), 26 SAGCs and the additional government income, expenditure, assets and liabilities that are considered 'executive'. In July 2022, I issued an adverse opinion for the EPS accounts for the 2019 financial year. I also issued adverse opinions for the 2018 financial year and the 2016–17 financial period.
5. I want to thank the staff, especially the finance teams, of all public bodies for their efforts. It is commendable that all of the completed audits received unqualified, i.e. clean, audit opinions, as detailed in Appendix A. I want to thank my team at the OAG and our contracted auditors at

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<sup>2</sup> The 50 public bodies include the EPS and exclude the Office of the Auditor General (OAG).

Eisner Amper, Grant Thornton, KPMG and PwC for their commitment to and efforts in supporting this improvement.

# THE STATE OF FINANCIAL MANAGEMENT AND REPORTING IN THE CAYMAN ISLANDS GOVERNMENT

## OVERVIEW

6. The outcomes of the audits that my office conducted for the year ended 31 December 2021 show that the financial statements submitted continue to be of good quality. However, there has been a decline in the timeliness of submitting the annual reports by public bodies.
7. At the time of writing this report, 43 out of 51 audits (including the OAG) had been completed for the 2021 financial year. Audits of seven public bodies (including EPS) for the 2021 financial year are ongoing or backlogged. A further four audits for 2020, two audits for 2019, two audits for 2018 and one audit for 2016–17 are outstanding. Exhibit 1 shows these 16 outstanding audits as of September 2022.

### Exhibit 1: Outstanding audits as of September 2022

Public body	Year(s) outstanding				
	2021	2020	2019	2018	2016–17
Ministry of Health, Environment, Culture and Housing	✓	✓	✓	✓	✓
Cayman Islands Airport Authority	✓	✓	✓	✓	
Entire public sector	✓	✓			
Cayman Turtle Conservation and Education Centre Limited	✓	✓			
Ministry of Financial Services and Home Affairs	✓				
Ministry of Investment, Innovation and Social Development	✓				
Ministry of Financial Services and Commerce	✓				
<b>TOTAL</b>	<b>7</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>1</b>

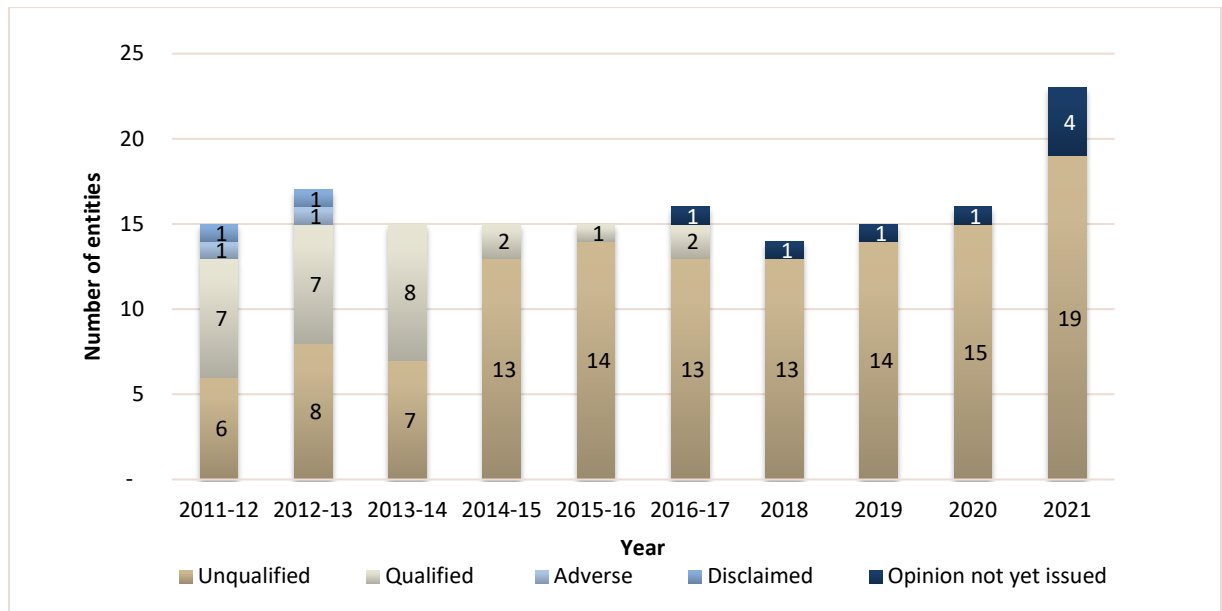
8. I issued unqualified opinions for all completed audits for the financial year ended 31 December 2021. These results are slightly better than those of the previous year, in which one qualified opinion was issued, for the University College of the Cayman Islands (UCCI). To date, I have issued 43 unqualified audit opinions and one adverse opinion, for the EPS audit for the 2019 financial period.
9. Appendix A contains further information on the status of the 2021 audits. The appendix lists the type of audit opinion issued, the date I signed the financial statements, and the date these were

tabled in the House of Parliament. Appendix A also contains information for the years 2020, 2019, 2018, 2016–17 and 2015–16 for trend and comparison purposes.<sup>3</sup>

## CORE GOVERNMENT ENTITIES

10. Exhibit 2 shows the numbers and types of audit opinions that my Office issued for core government entities in the 10 years from 2011–12 to 2021. It shows that the audit opinions issued improved significantly during this time. It also shows that a notable improvement started in the 2014–15 financial year, when the number of qualified opinions decreased to two from seven in 2011–12. It is also worth noting that since 2018 no core government entity has been issued with a qualified audit opinion (noting that the audits for the Ministry of Health and Wellness is outstanding back to 2016–17). I attribute this improvement to various factors, including the Deputy Governor’s leadership and the considerable efforts of the Chief Officers, the Chief Financial Officers and their teams to restore financial accountability in the use of public resources.

**Exhibit 2: Core government entities’ audit opinions, 2011–12 to 2021**



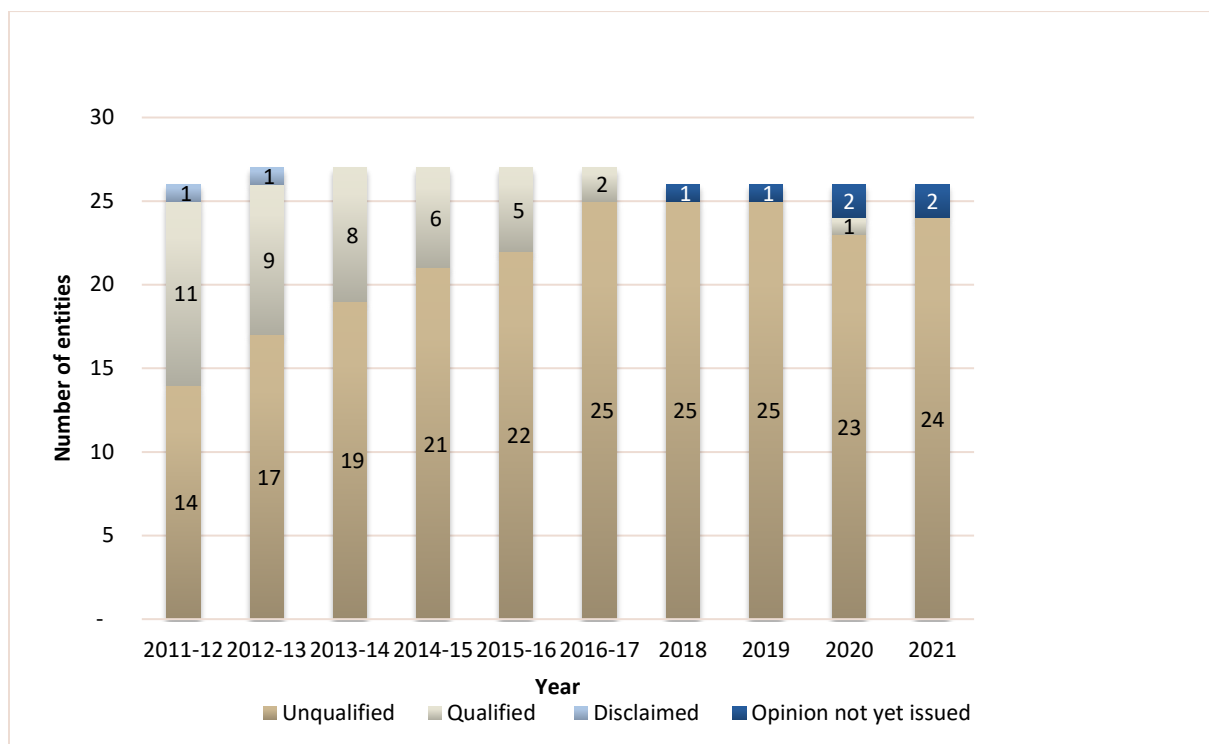
*Notes:*

1. The number of core government entities, excluding the OAG, increased from 14 to 23 during the 10-year period. The number also fluctuated during this time because of various government reorganisations.
2. The audits of the Ministry of Health and Wellness for 2016–17, 2018, 2019, 2020 and 2021 were ongoing at the time of writing this report.
3. The information shown in the exhibit excludes the EPS and OAG audits.

<sup>3</sup> 2016–17 was an 18-month period.

11. Exhibit 3 shows the numbers and types of audit opinions that my Office has issued for SAGCs in the 10 years from 2011–12 to 2021. It shows a gradual improvement year-on-year to 2016–17, after which point the situation has remained relatively constant. Exhibit 3 also shows that the number of qualified audit opinions decreased from 11 in 2011–12 to none in 2018, 2019 and 2021 and one in 2020. To date, all the opinions I have issued for SAGCs for the 2021 financial year have been unqualified. By comparison, 96% of 2020 audit opinions issued for SAGCs were unqualified.

**Exhibit 3: SAGCs’ audit opinions, 2011–12 to 2021**



**QUALITY OF FINANCIAL STATEMENTS**

**KEY AUDIT CONCERNS FOR 2021 AND UPDATES ON MATTERS HIGHLIGHTED IN ‘EMPHASIS OF MATTER’ AND ‘OTHER MATTER’ PARAGRAPHS IN 2020 AUDIT OPINIONS**

12. The quality of the financial information presented has steadily improved over the years. This improvement was demonstrated in 2019 and 2020 and continued in 2021, with all audit opinions issued to date being unqualified.

13. I have included ‘emphasis of matter’ (EOM) or ‘other matter’ (OM) paragraphs in the 2021 audit opinions for 19 other public bodies. I believe that the matters highlighted in these paragraphs are significant, and I have brought them to the attention of the users of the financial statements.



Exhibit 4 summarises the significant issues raised as either ‘emphasis of matter’ or ‘other matter’ in the 2021 audit opinions, and I discuss each of these issues below.

**Exhibit 4: Significant issues raised in ‘emphasis of matter’ and ‘other matter’ paragraphs in 2021 audit opinions**

Public body	Non-compliance with Public Management and Finance Act S11 and S12	Non-compliance with Public Authorities Act S47*	Unauthorised reallocation to Executive	Going concern – net liability position*	Unmet objectives	Irregular expenditure*	Going concern – heavy reliance on central government support*	Discontinued ministry
CO	✓							
JA	✓							
MBCL	✓							
MDAL	✓		✓					
MPAHI	✓							
PoCS	✓							
TAB	✓							
MOE	✓							
UCCI	✓					✓		
MITIAMA	✓							✓
CIP	✓							
MTT	✓							
HSA		✓		✓				
CAL				✓				
MHA	✓							
MSCR	✓							
HSA	✓							
CIMA		✓						
NRA		✓						
WACI		✓						
SIAHDC					✓			
CIDB							✓	
MCA								✓

Note: Please refer to the list of abbreviations at the beginning of this report for definitions of the public bodies.

\*Issue reported in EOM or OM paragraphs in the previous year.

14. In this section, I include an update on the issues raised in the 2020 audits. It is disappointing that some of these issues have not been resolved by the relevant public bodies and recurred in the 2021 financial year. Exhibit 5 summarises the significant issues raised in 2020 as either ‘emphasis of matter’ or ‘other matter’. I noted that several public bodies obtained additional funding during the 2021 financial year. However, a supplementary appropriation bill for the additional funding had not been introduced in Parliament by 31 March 2022, as required by sections 11(6) and 12(3)

of the *Public Management and Finance Act, 2020 Revision* (PMFA). I highlight this matter in the audit opinions of the following public bodies: Cabinet Office, Judicial Administration (JA), Ministry of Border Control and Labour (MBCL), Ministry of District Administration and Lands (MDAL), MPAHI, the Portfolio of the Civil Service (PoCS), the Tourism Attractions Board (TAB), Ministry of Education (MOE), UCCI, Ministry of International Trade, Investment, Aviation and Maritime Affairs (MITIAMA), Cayman Islands Parliament (CIP), Ministry of Sustainability and Climate Resiliency (MSCR), the Ministry of Home Affairs (MHA) and Ministry of Tourism and Transport (MTT).

15. In the 2020 audit opinions of five SAGCs, I highlighted non-compliance with section 47 – ‘Terms and conditions and remuneration of staff’ – of the *Public Authorities Act, 2020 Revision* (PAA), which required SAGCs to standardise their salaries and benefits by 1 June 2019. This issue continues. Only one of the five SAGCs, the Port Authority of the Cayman Islands (PACI), resolved this matter during the year. At 31 December 2021, the following four SAGCs had not completed the standardisation process: the Cayman Islands Monetary Authority (CIMA), the Health Services Authority (HSA), the National Roads Authority (NRA) and the Water Authority of the Cayman Islands (WACI). The 2021 audits for the Cayman Turtle Conservation and Education Centre Limited (CTC) and the Cayman Islands Airports Authority (CIAA) are ongoing; therefore, we cannot make conclusions yet about their compliance status.
16. In my 2021 audit opinion for the MDAL, I highlighted that the ministry had reallocated approximately \$360,000 among different output groups and \$2.4 million in appropriations for equity injections from the entity to the Executive. Neither the Cabinet nor Parliament authorised the reallocations, which contravenes section 9(4) of the PMFA.
17. In the audit opinion for the 2020, 2019 and 2018 financial statements, I highlighted the HSA’s net liability position in an ‘emphasis of matter’ paragraph. This situation improved in 2021. The HSA’s net worth dropped significantly from \$63.2 million in 2020 to \$8.1 million in 2021. However, it is essential to note that the HSA is still technically insolvent as its total liabilities exceed its total assets. The HSA has reduced its deficit, primarily as a result of valuations carried out during the year. This includes the revaluation surplus on land and buildings of \$15.2 million and a reduction in the post-retirement employee healthcare liability of \$17.5 million (to \$192.3 million in 2021). I also highlighted the net liability position reported by Cayman Airways Limited (CAL), of \$27.4 million at 31 December 2021, and that it depends on the Government for financial support, including its purchase commitments, to continue as a going concern and meet its obligations as they become due.
18. Last year, I highlighted that the Sister Islands Affordable Housing Development Corporation (SIAHDC) had not met its objectives of building or selling any houses in 2019 or 2020, and I recommended that the Government consider the need for the SIAHDC to continue as a separate entity. The SIAHDC did not build or sell any houses in 2021, even though its primary objective is

to promote affordable home ownership for the Caymanian public in the Sister Islands. Therefore, it did not meet its objectives during the year. I therefore repeat this recommendation below.

**Recommendation 1: The Government should consider the need for the SIAHDC continuing as a separate entity, given the lack of value provided to the public.**

19. Last year, I highlighted that the UCCI had incurred irregular expenditures amounting to \$59,249. This issue recurred in 2021 and so I have raised this again. In 2021, the UCCI incurred \$6,875 of irregular expenditure. However, it recovered \$4,236, leaving net irregular expenditure of \$2,639 for the year. UCCI management investigated this matter further and identified that at least an additional \$20,000 incurred between July 2014 and December 2018 could constitute irregular expenditure. UCCI management has reported this matter, which the Royal Cayman Islands Police Service is currently handling.
20. Although most SAGCs have some financial backing from central government, the Cayman Islands Development Bank (CIDB) relies heavily on central government support, which is cause for concern. As was the case in 2020, 2019 and 2018, the CIDB's ability to meet its obligations and sustain its operating expenses significantly relies on this continued government support. As of 31 December 2021, the CIDB's impaired loans amounted to \$6.1 million, representing 34% of its overall loan portfolio, excluding allowances for credit losses. In addition, the CIDB received \$4.5 million in contributed capital from the Cayman Islands Government during the year ending 31 December 2021. Without this ongoing support, the CIDB may not be able to continue to operate as a going concern.
21. As a result of the reorganisation of government after the 2021 general election, the Ministry of Community Affairs (MCA) and MITIAMA were discontinued after 30 June 2021, and neither entity prepared its financial statements on a going-concern basis of accounting.
22. In my 2019 audit opinion, I highlighted that the CTC was heavily dependent on the continued financial support of the central government to enable it to meet its obligations as they become due. Since then, the COVID-19 pandemic in 2020 resulted in the Government introducing measures to mitigate the threat to the Cayman Islands. These measures included closing the cruise port, the airports and CTC's facility, all of which have increased the CTC's financial dependency on the Government. This material uncertainty led to significant doubts about the CTC's ability to continue as a going concern. It is unclear if the CTC has resolved this matter because the 2021 and 2020 audits are still on-going.
23. In my audit opinions for the previous year (2020), I highlighted incorrect contribution rates (Public Service Pensions Board (PSPB)) and incorrect recognition of revenue (Portfolio of Legal Affairs and SIAHDC). These matters did not recur in 2021.

24. The entire public sector (EPS) account consolidates the financial statements of all core government, statutory authorities and government companies (SAGCs). The 2021 financial year consisted of 50 public bodies (compared with 43 in 2020). As reported earlier, the 2021 and 2020 EPS audits are ongoing, and the 2019, 2018 and 2016–17 audits received adverse opinions. I issued an adverse opinion for the most recent audit (2019) because various issues affected the consolidated financial statements. Below I discuss some of the reasons for the adverse opinion.
25. **Exclusion of the Public Service Pensions Board from consolidation.** The consolidated financial statements exclude material administrative transactions and balances relating to the PSPB because management concluded that the PSPB is holding the related assets in trust. In my opinion, the Government has control over the PSPB. The EPS should consolidate all of its administrative transactions and balances in these financial statements in accordance with *IPSAS 35 – Consolidated Financial Statements*. These omissions mean that the consolidated financial statements were understated at 31 December 2019.
26. **Pervasive inaccuracies arising from subsequent adjustments in subsidiaries, elimination on consolidation and opening balance.** At the date of the audit opinion, several public bodies' audits were in progress. In addition, material adjustments had not been posted to the completed entity audits or eliminated from the consolidation. It is likely that the net impact of these amounts could materially affect figures and disclosures in the consolidated financial statements. The effect of these net adjustments could be both pervasive and material. For example, a number of adjustments are made to individual SAGCs' post-retirement liabilities during the audit process (after the financial statements have been submitted for audit).
27. **Incompleteness of revaluation, inconsistent accounting policies and poor controls over property, plant and equipment.** Management did not provide a complete valuation report to support their valuation of the road network amount of \$372 million. This amount relates to infrastructure, roads and pavements, as disclosed in the consolidated financial statements, as there is a material difference of \$80.2 million in the financial statements compared with the valuation report. Furthermore, the policies used to account for the SAGCs' land and buildings are inconsistent with those of central government entities. IPSAS 35 requires consistent accounting policies within the consolidation. Therefore, the consolidated figure for property, plant and equipment is materially misstated due to the lack of revalued carrying amounts for certain classes of property, plant and equipment owned by SAGCs. The total carrying amount of these SAGC assets is \$36.8 million. As a result of the matters identified, the property, plant and equipment appearing in the consolidated financial statements is materially misstated as of 31 December 2019.

28. **Inaccuracy of depreciation and amortisation expenses.** The depreciation and amortisation expenses amounting to \$59.4 million recorded in the statement of financial performance are materially misstated because of the valuation and completeness issues affecting property, plant and equipment, as discussed above.
29. **Understatement of retirement benefits liabilities.** The Government did not record liabilities relating to its post-retirement healthcare programme. The results of the healthcare liability actuarial valuation for core government estimated the post-retirement healthcare net liability at \$2.3 billion, post-retirement medical expenses at \$101.8 million and other comprehensive income at \$574.3 million. Based on the above, the total current and non-current retirement benefits of \$729.7 million are materially misstated as of 31 December 2019.
30. **Incompleteness of provisions.** Management indicated that there is no process for accessing and accounting for its environmental liabilities. Therefore, I did not receive sufficient and appropriate audit evidence to draw conclusions about the completeness of the provisions and contingent liability disclosures related to these liabilities for the year ending 31 December 2019. Furthermore, I identified a material omission of environmental remediation provisions costing \$24.4 million. As a result, the provisions of \$10.4 million as reported in the financial position statement are materially misstated as of 31 December 2019.
31. **Understatement of personnel costs.** The personnel costs amounting to \$517.8 million reported in the statement of financial performance are materially misstated due to the understatement of post-retirement healthcare and post-retirement pension liabilities.
32. **Incompleteness of revenue, receivables and unearned revenue.** As a result of poor controls, management could not provide sufficient or appropriate audit evidence and could not assert that its coercive revenue was complete. I have not been able to conclude on the fairness of the reported amount of coercive revenues of \$795.1 million on the statement of financial performance for the year ending 31 December 2019. In addition, sales of goods and services amounting to \$311.5 million, as reported in the statement of financial performance, are materially misstated because of unadjusted differences of \$40.6 million. Because the revenue was incomplete, I could not conclude on the related current and non-current trade receivables balances of \$38.3 million, other receivables of \$18.3 million and unearned revenues of \$83.7 million appearing on the statement of financial position at 31 December 2019.
33. **Inaccuracy of net worth.** The revaluation reserve of \$636.5 million reported in the statement of financial position is materially misstated because of the valuation and completeness issues affecting property, plant and equipment. Likewise, the current and accumulated surpluses amounting to \$117.7 million and \$624.4 million, respectively, are materially misstated due to the aforementioned qualifications.

34. **Statement of cash flows not fairly presented.** I was unable to conclude on the fairness of the amounts reported in the statement of cash flows as the matters discussed above affected the pervasive inaccuracies in the opening balances of the consolidated financial statements.
35. **Omissions in financial statement disclosures.** The consolidated financial statements have omitted several disclosures required by the accounting standards. These include the following:
- The Government has not established a system for reporting key management personnel transactions as required by *IPSAS 20 – Related Party Disclosures*. As a result, I do not opine on the accuracy of related party balances. IPSAS 20 requires the disclosure of remuneration and benefits earned by key management personnel. As a result of the above non-disclosure, the public does not know what is spent on the salaries and benefits of Members of Parliament (MPs).
  - The consolidated financial statement does not include all of the disclosures required by *IPSAS 39 – Employee Benefits*. For example, the liability of \$2.3 billion in relation to post-retirement medical benefits was not reported in the statement of financial position.
  - The consolidated financial statement does not include all of the disclosures required by *IPSAS 24 – Presentation of Budget Information in Financial Statements*. IPSAS 24 requires the disclosure of original and final budget amounts and explanations of changes and material variations between these amounts. The EPS financial statements did not include these disclosures as per the requirements.
36. I have commented on this issue in previous General Reports and in my May 2021 performance audit report *Improving Financial Accountability and Transparency: Financial Management and Reporting*. In this report, I acknowledge that preparing high-quality, consolidated financial statements for the whole of government is an evolutionary process and will take time. However, the issues contributing to the adverse audit opinion remain, and the Government does not appear to have a plan for how it aims to improve the quality of the EPS financial statements in the medium to long term. I recommended that the Ministry of Finance, and Economic Development (MFED) develop a plan to improve the quality of EPS financial statements, including a roadmap for moving to a qualified opinion in the first instance and an unqualified audit opinion in the longer term. The ministry agreed with this recommendation and committed to having a plan in place by the end of June 2022. However, this has not happened. I therefore repeat this recommendation and ask the Government to act on it urgently.

**Recommendation 2: The Ministry of Finance and Economic Development should develop and implement an action plan to improve the quality of the entire public sector’s consolidated financial statements. The action plan should set out a roadmap for moving to a qualified audit opinion in the first instance and an unqualified audit opinion in the longer term.**

37. In my last General Report, I highlighted that the COVID-19 pandemic and the resulting lockdown period and border closures had affected the operations of various public bodies in 2020. This continued for part of 2021. Although I have not formally raised this as a concern in audit reports, several public bodies were affected, particularly those relying on international tourism for revenue. These public bodies were unable to generate their usual income from operations. Consequently, their reliance on funding from the central government increased. The most affected public bodies were Cayman Airways Limited (CAL), the Cayman Islands Airport Authority (CIAA), the Cayman Islands National Museum (CINM), CTC, the Tourism Attraction Board (TAB) and PACI.

#### **TIMELINESS OF FINANCIAL STATEMENTS AND ANNUAL REPORTS**

38. In addition to being good quality, this financial information must be accessible promptly to key stakeholders and the general public. The availability of financial information is crucial, as stakeholders should use it for accountability and decision-making.

39. Financial statements are less useful if the information is not made available to users within a reasonable time. The International Public Sector Accounting Standards (IPSAS) clearly state that a public body should issue its financial statements within six months of the reporting date. The *Public Management and Finance Act (2020 Revision)* (PMFA) requires that public bodies submit their annual report containing the financial statements to my Office within two months of the year-end, i.e. by the end of February each year. My Office is then required to audit the financial statements within two months, i.e. by 30 April.

40. For the 2021 reporting period, 45 of the 49 (excluding EPS) public bodies submitted their financial statements by the statutory deadline of 28 February 2022. The CIAA, the Ministry of Financial Services and Home Affairs (MFSHA), the Ministry of Financial Services and Commerce (MFSC) and the PSPB did not submit their 2021 financial statements on time. This is a cause for concern when compared with 2020, when only one public body submitted its financial statement after the statutory deadline. In relation to annual reports, 38 of the 49 public bodies (excluding EPS and OAG) submitted by the deadline. However, the fact that 11 public bodies missed the statutory deadline is disappointing, and this figure needs to be improved.

41. My Office and the contracted firms working on my behalf completed audits for 33 of the 50 (66%) public bodies (excluding the EPS and including the OAG) by the statutory deadline of 30 April 2022. The results show an improvement on the past five reporting periods except 2020, when we completed 34 (81%) by the statutory deadline. Looking at the previous four years, 27 audits were completed for the 2019 reporting period by the statutory deadline, 24 for 2018, 25 for 2016–17, and 28 for 2015–16. My Office completed 22 out of 35 in-house audits for 2021 by

30 April 2022. I did not commence the 2021 audits for the Ministry of Health and Wellness (MHW), the CIAA, the CTC and the EPS as their previous years' audits were ongoing. Among private firms that undertook audits, three that did not meet the completion deadline for the 2021 reporting period. This was an improvement from 2020, when 4 out of 15 did not meet the deadline. Exhibit 6 details the completion of the 2021 audits.

**Exhibit 6: Completion of the 2021 audits**

Date audit completed by	Number of audits	Percentage of audits	Cumulative percentage of completed audits
Completed by 30 April 2022	33	66%	66%
Additional audits completed by the issuance of this report (September 2022)	9	18%	84%
In progress (see Exhibit 1)	8	16%	-
<b>Total</b>	<b>50</b>		

42. The timeliness of submitting financial statements and completing audits is now reasonably good. However, the timeliness of submitting annual reports to my Office for review continues to be an area of concern. My Office consistently receives annual reports after the statutory deadline.

**ACCOUNTABILITY**

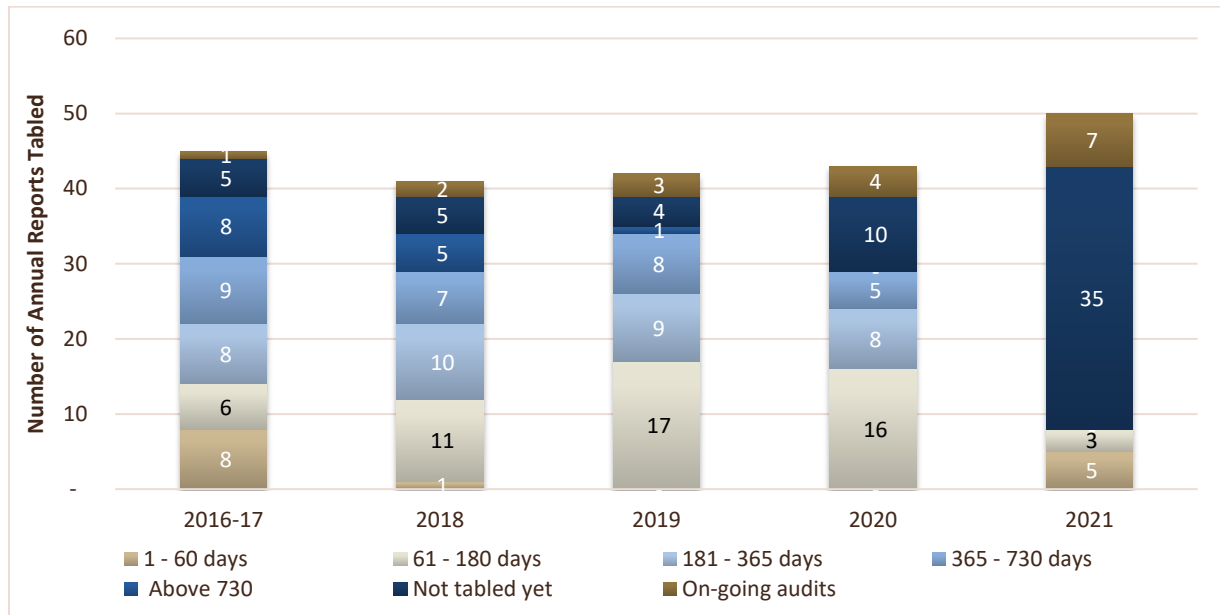
43. The annual report enables stakeholders, legislators and citizens to fully understand how public bodies have used public resources and to hold the Government and public bodies accountable. In previous General Reports, I highlighted the importance of preparing annual reports by public bodies and, more importantly, tabling them in the House of Parliament on time to ensure proper accountability. As noted earlier in this report, the number of public bodies preparing annual reports has increased considerably. However, the timeliness of these reports reaching the House of Parliament remains a matter of concern.

44. Public bodies are required under the PMFA to lay their annual report, containing the financial statements and audit opinion, in the House of Parliament, via the Cabinet, no later than five months after the end of the year. This is the pivotal step that completes the accountability chain. Despite recent improvements, there continue to be delays in tabling financial statements and associated annual reports in the House of Parliament.

45. As in previous General Reports, we have analysed the timeliness of tabling annual reports in the House of Parliament. Exhibit 7 shows the trend in this over the five-year period 2016–17 to 2021. It shows the number of days between the sign-off of the audit opinion and the tabling of the annual report, including financial statements, in the House of Parliament.



## Exhibit 7: Tabling of annual reports, 2016–17 to 2021



Notes: Annual reports and financial statements tabled as of 31 August 2022. The numbers above include the annual report for the EPS but exclude the OAG.

Source: Order Papers from the Parliament website.

46. The increase in the number of reports tabled is positive. Between 2016–17 and 2021, 246 audits were completed; among these, 183 (74%) annual reports (including their financial statements) had been tabled. However, I remain concerned about the significant time it took for these reports to reach the House of Parliament and the number of annual reports that have yet to be tabled.

47. The majority of the annual reports not yet tabled relate to more recent years. As of 31 August 2022, only eight public bodies had managed to lay their annual reports for 2021 before Parliament. This is disappointing as we had completed the audits of 33 public bodies by 30 April 2022. A further nine audits had been completed by the time this report was being written. Among the 39 audits completed for 2020, 29 annual reports (74%) have been tabled. However, none of these were tabled within two months of audit completion; the annual reports for 10 completed audits have not yet been tabled. A total of 19 annual reports relate to the periods before and including 2019.

48. A total of 157 (tabled and yet to be tabled) out of 246 (completed audits) annual reports took more than six months after audit completion to be tabled. At 31 August 2022, a total of 63 annual reports had not been tabled, of which 29 were past their audit completion dates by at least six months. For example, it took between 61 and 730 days for the 29 annual reports for 2020 to be tabled.

49. Delays in tabling annual reports may present a significant barrier to holding the public sector accountable. Key stakeholders, and the wider public, do not receive information on entities' operations on time, which reduces the relevance of these reports to decision-making.

# KEY AUDIT MATTERS

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## INTRODUCTION

50. As part of my audit process, I issue a report to those people charged with governance of a public body. This report includes matters that may not modify the audit opinion but are significant and relevant, such as internal control deficiencies and any non-compliance with laws, regulations and policies.
51. In terms of core government, in addition to providing the relevant Chief Officers with a report, my Office presents these reports to the Government's Audit and Risk Assurance Committee (ARAC). The Deputy Governor established the ARAC in September 2019. The ARAC provides the Deputy Governor with independent and objective advice on governance, risk management, internal control, financial management and reporting, and internal audit for the core government.
52. Those charged with the governance of SAGCs are called Boards of Directors or Boards of Control. The Cabinet appoints the board members to oversee the strategic direction of SAGCs and provide a layer of accountability to Parliament. The boards are also responsible for ensuring that SAGCs carry out their business in accordance with all applicable Acts.
53. SAGC boards should include the Chief Executive Officer, or equivalent, and the Chief Officer (or a designated person) from the core government entity under which the SAGC falls. Many SAGC boards also include a representative from MFED. However, as public servants, these people are not allowed to vote, are not entitled to receive remuneration for serving as a board member and cannot sit in the capacity of chair of the board.
54. In the following sections, I briefly discuss some of the general matters considered during the 2021 audits that have implications for various public bodies. I have also provided extracts of the critical issues brought to the attention of those charged with governance for SAGCs and core government entities. Refer to Appendix B.

## THE PUBLIC AUTHORITIES ACT

55. In March 2017, the House of Parliament passed the *Public Authorities Act (2020 Revision)* (PAA), which came into force on 1 June 2017, except section 47, which covers salary scales and job evaluation. Section 47 was slated to take effect on 1 June 2018 but this was deferred to June 2019.

56. One of the factors that led to the drafting of the PAA was audit findings reported over several years, which noted that:

- the existing accountability framework was not working as well as it should, resulting in limited accountability;
- there was little assurance that SAGCs were operating effectively and achieving the results expected by the Government;
- the results that SAGCs were expected to deliver were not clearly stated in the ownership agreement;
- ownership agreements were focused more on activities to be delivered than on the results to be achieved; and
- there was no sound basis for reporting on value for money achieved.

57. In response to these and other factors, the Cabinet sought to have the legislation drafted with the following objectives:

- provide the Cabinet with more control over how each public authority should operate;
- improve the governance of public authorities by having a consistent, overarching financial management framework;
- provide a sound, consistent approach to human resource practice; and
- allow the Cabinet to apply strategic policy initiatives to public authorities when it is in the public's best interest.

58. In conducting the 2019, 2020 and 2021 audits, I found that some SAGCs had not complied with several key sections of the PAA. These issues were flagged as matters of non-compliance in the reports to those charged with governance or were mitigated with a waiver from MFED. I commented on this earlier (see Exhibits 4 and 5). The most significant matters relate to section 47 – Terms and conditions and remuneration of staff requirements.

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#### TERMS AND CONDITIONS AND REMUNERATION OF STAFF

59. The PAA sets out how SAGCs are expected to determine staff's terms and conditions and remuneration. The PAA section 47(1) and (2) requires SAGCs to use the salary scale determined by Cabinet and that all jobs are evaluated using the same methodology. The PAA requires that, after the commencement date, if there is a difference between the terms and conditions of employment at a SAGC and employment in the civil service, the salary grades at the SAGC shall be adjusted accordingly to reduce the difference.

60. All SAGCs were required to evaluate the current positions in their organisations and determine whether the salary bands for these aligned with the scale determined by the Cabinet to ensure

compliance with the PAA. Most SAGCs could not conduct these evaluations internally and engaged the Portfolio of the Civil Service (PoCS) to carry out these on their behalf.

61. In conducting the audits of the 2019, 2020 and 2021 financial years, my Office noted instances, albeit not pervasive, in which the CIMA, the HSA, the NRA and WACI had not fully complied with this requirement of the PAA as they had not completed the job evaluations. As noted earlier in this report, I have raised 'emphasis of matter' paragraphs regarding this in the audit opinions of four SAGCs (five in 2020). To ensure that SAGCs complied with this requirement, as of the audit completion dates the PoCS had completed all but one job evaluation, which was for the NRA to carry out.

**Recommendation 3: The Cayman Islands Monetary Authority, the Health Services Authority, the National Roads Authority and the Water Authority of the Cayman Islands should urgently complete the implementation of the *Public Authorities Act* to ensure that they are fully compliant with the Act.**

62. The key objective of PAA section 47(3) is to align the non-monetary benefits of SAGC employees with those of their civil service counterparts. Non-monetary benefits include health insurance, pensions, leave entitlements and retirement benefits. Most SAGCs have implemented the provisions of PAA section 47(1), which deals with aligning the monetary benefits. However, I noted that the HSA had moved to implement PAA section 47(3) in relation to pension contributions before fully implementing PAA section 47(1). The cost of this implementation to the HSA amounted to \$4 million. I previously reported in *Improving Financial Accountability and Transparency: Budgeting* that it is not clear if the financial consequences of legislation are adequately considered and budgeted for. We estimate that all SAGCs implementing section 47(3) would incur additional recurring annual costs of about \$14million in pension contributions. The current cost of healthcare for all SAGCs is \$17 million, and this is for employees only. The implementation of PAA section 47(3) could potentially increase this amount as employees' dependants would become eligible for cover at the expense of the SAGCs.
63. I previously recommended in *Improving Financial Accountability and Transparency: Financial Management and Transparency* in May 2021 that the Government should estimate the cost of fully implementing PAA section 47 and ensure that SAGCs are provided with sufficient funding in their future budgets. The Government agreed and accepted this recommendation, but it appears the Government response was only in relation to PAA section 47(1) (salary scales) and did not extend to PAA section 47(3) (non-monetary benefits of pension and healthcare).

**Recommendation 4: The Government needs to consider the financial implications before further implementation of *Public Authorities Act* section 47.**

## THE STANDARDS IN PUBLIC LIFE ACT

64. The *Standards in Public Life Act 2014* (the Act) came into effect in 2014, when the Cayman Islands Government's financial year ended on 30 June. In 2017 the financial year-end changed to 31 December. However, the Act was not updated to reflect this change. This non-alignment of year-ends has led persons in public life to make extra declarations when they did not have to. This Act allows for the appointment of the Commission for Standards in Public Life (Commission), whose functions are the following:

- to assist in the setting of the highest standards of integrity and competence in public life to ensure the prevention of corruption or conflicts of interest;
- to monitor standards of ethical conduct in Parliament, in the Cabinet, and on the part of public authorities and public officers;
- to supervise the operation of the Register of Interests and investigate breaches of established standards;
- to review and establish procedures for awarding public contracts;
- to review and establish procedures for appointing members to public authorities and the terms of their appointment;
- to recommend codes of conduct to prevent any minister, public authority or public officer from employing their power for any personal benefit or advantage and to recommend legislation to provide appropriate sanctions;
- to report to the Legislative Assembly at regular intervals, and at least every six months; and
- to exercise such other functions as may be prescribed by this or any other Act enacted by the Legislature.

65. Section 11 of this Act requires that a person in public life:

- Shall, within 90 days of assuming the functions of his/her office, or, in the case of a candidate for election to the House of Parliament, before filing his nomination papers, make a declaration to the Commission of his income, assets and liabilities as specified in section 12(1) in respect of the previous year in such form as may be prescribed by regulations; and
- Thereafter, no later than 30 days after 30 June in each succeeding year that he is a person in public life, he shall file further declarations of his income, assets and liabilities as specified in section 12(1) for that year ending 30 June.

66. I did not assess whether persons in public life had complied with the requirements of section 11, as this responsibility falls within the remit of the Commission. However, I requested that senior management and board members submit to my office their declaration of interest covering the entire financial year that their entities would have used to identify the existence of any related parties. As a result, I cannot comment on the compliance of persons in public life with this Act.

For audit purposes, it would be helpful if the *Standards in Public Life Act* could be updated to require returns to be completed by 31 December rather than 30 June each year, as this would remove the duplicated effort of senior management and board members in completing two separate forms each year. I could then use these declarations for audit assurance purposes rather than requiring separate notice of interest reporting from the entities.

**Recommendation 5: The Government should amend the *Standards in Public Life Act* to require notice of interest forms to cover the entire financial year and should ensure that relevant information from these can be retained and used by public bodies to manage any potential conflicts of interest.**

## CHANGES IN REPORTING STANDARDS

67. For the 2021 fiscal year, several financial reporting standards came into effect and others were amended, which had various implications for many SAGCs. I discuss the most notable ones below.
68. **Amendments to IFRS (International Financial Reporting Standards) 4, IFRS 7, IFRS 9, IFRS 16 and IAS (International Accounting Standards) 39 – Interest Rate Benchmark Reform – Phase 2.** The amendments introduce a practical expedient if a change results directly from Interbank offered rates reform and occurs on an ‘economically equivalent’ basis. In these cases, changes will be accounted for by updating the effective interest rate.
69. **Amendments to IFRS 16 – COVID-19-Related Rent Concessions.** The amendments provide a new definition of material that states, ‘information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.’ The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.
70. The practical expedient introduced in the 2020 amendments applies only to rent concessions for which any reduction in lease payments solely affects payments originally due on or before 30 June 2021. The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated. As a result, lessors and lessees are negotiating rent concessions that extend beyond 30 June 2021. The International Accounting Standards Board (IASB) therefore extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any lease payment reduction affects payments originally due on or before 30 June 2022.

71. **Conceptual Framework.** The Conceptual Framework is not a standard, and none of the concepts contained therein overrides the concepts or requirements in any standard. The Conceptual Framework's purpose is to assist the IASB in developing standards, help preparers develop consistent accounting policies where there is no applicable standard, and assist all parties in understanding and interpreting the standards. This amendment will affect those entities that developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes new concepts, updates definitions of and recognition criteria for assets and liabilities, and clarifies some important concepts.
72. It was good to note that the affected entities were well informed and prepared for these changes, and we did not experience any significant delays in the audits. My Office worked closely with and assessed the work produced by affected SAGCs and was satisfied that the financial data and disclosures produced were fairly stated.

## REPORTING SERVICE PERFORMANCE

73. In previous General Reports, I highlighted the deficiencies in financial data quality and the absence of comprehensive management discussion and analysis in annual reports. I pointed out the weaknesses in controls that were, in some instances, pervasive across entities. Examples of these deficiencies are overtime abuses, lack of controls over travel expenditures, inadequate related party disclosures, the use of supplementary appropriations, and an absence of controls to address the risk of fraud.
74. Over the years, I have noticed a marked improvement in most of these matters, the most notable being the quality of financial data, evidenced through the issuance of unqualified audit opinions to a majority of public bodies to date, as discussed earlier in this report. There has also been commendable improvement in the content of annual reports, which, when submitted on time, provide valuable information for decision-makers.
75. Although several public bodies have some key control weaknesses, there has been an overall reduction in the number of matters my Office has identified. This reduction, coupled with a control environment that continues to mature, has seen most issues mitigated or measures implemented to address these in the future.
76. As my previous General Report reported, greater focus must be given to the volume and quality of service performance information. At present, the suspended requirement of the PMFA for output reporting from core government means that there is no robust assessment of service performance and whether, on a global basis, resources have been used effectively and efficiently or if expected outcomes have been achieved.
77. IPSAS, which is the financial reporting framework used by all of core government and some SAGCs, provides the following guidance on how an entity should report on its service



performance: 'An entity should present service performance information that is useful to users for accountability and decision-making purposes. Presentation should enable users to assess the extent, efficiency and effectiveness of the entity's service performance. It should be appropriate to the entity's service performance objectives and make the relationship between the entity's service performance objectives and its service performance achievements clear'.

78. 'When used in combination with the information in an entity's financial statements, service performance information should enable users to assess the entity's finances in the context of its achievement of service performance objectives and vice versa'. This latter point is highly relevant to assessing the performance of core government entities, particularly those that report large surpluses, as a large surplus alone is not indicative of achieving performance objectives in the most efficient manner.
79. As entities continue to improve reporting quality and increase accountability, emphasis should be placed on providing a detailed narrative discussion about and analysis of entities' service performance information, including:
- aspects of service performance that the entity considers should be highlighted;
  - factors that affected service performance achievements during the reporting period;
  - the degree to which service performance objectives have been met;
  - balanced explanations of the information displayed, which cover both positive and negative aspects of the entity's service performance; and
  - an assessment of the efficiency and effectiveness of the entity's service performance.
80. A further obstacle to transparent service performance reporting is the continued practice of public bodies not tracking the actual outputs produced. This non-tracking of actual outputs has arbitrarily resulted in these public bodies billing Cabinet for output revenue. Some public bodies bill for output revenue based on the cost incurred in providing outputs or services, whereas others bill the same amount every month regardless of the actual outputs produced. The latter practice gives rise to instances when unearned revenue is recognised as revenue earned by public bodies, which could materially misstate the financial statements. Non-tracking of outputs is not best practice, as it means that measuring an entity's actual performance against the set performance targets may not be possible.
81. Despite this shortfall in the accountability framework for public resources, it is encouraging to see an increasing number of public bodies producing annual reports that in some instances include management discussion and analysis and service performance information. A good example is the MOE, which reported on output performance in its 2021 annual report. Although such reporting is minimal and can be improved, it is a step in the right direction.

**Recommendation 6: The Government should ensure that all annual reports provide an assessment of performance against the outputs and outcomes that are agreed in budget documents, including an explanation of any variations.**

#### **PROPERTY, PLANT AND EQUIPMENT REVALUATION**

82. IPSAS 17 requires that public bodies reporting under the revaluation model regularly revalue property, plant and equipment (PP&E). The Financial Regulations require that all public bodies' PP&E be revalued every five years as per IPSAS. The Land and Survey Department undertook a valuation exercise of all PP&E using the valuation date of 1 January 2021. The Government previously revalued PP&E as of 30 June 2016.
83. There were delays in the completion of the 2021 revaluation process. As a result, the final valuation reports were late, which posed serious challenges to the completion of various audits before 30 April 2022. As a result of the delays described above, the quality of the financial statements submitted for audit was compromised, and the statements needed to be updated after they had already been submitted. These delays were in part due to a lack of financial leadership by MFED, which was supposed to drive this process and complete it before the financial audits commenced. I make a recommendation on this issue in the next section.

#### **GOVERNMENT REORGANISATION – DEPARTMENTAL TRANSFERS**

84. As a direct result of the 2021 general election, the Government reorganised and established new ministries on 1 July 2021. This meant that some previous ministries were discontinued, some departments were merged into new ministries and some completely new ministries were created. The reorganisation process meant that departmental budgets, assets and liabilities had to be transferred from existing ministries to form new ministries. The new ministries were to assume the residual approved budgets, assets and liability portfolios of the departments transferred as of 1 July 2021. However, new ministries without any departmental transfers from existing ministries were given a supplementary budget by the Government to fund their operations. Ideally, the MFED was to provide leadership and guidance on conducting the departmental transfers and to ensure that each ministry followed the issued guidance. Although the MFED issued instructions on transferring departments, they did not ensure that these instructions were followed and executed sufficiently.
85. After the Government reorganisation, the MFED issued post-election procedures to guide the required actions and responsibilities. These post-election procedures directed that a 'closing financial position' of departments moving to new ministries be established to accurately determine the future department's budget. Furthermore, the new ministry's Chief Financial Officer (CFO) was required to consult with the CFO of the transferring ministry and head of departments to ensure that assets were transferred accurately.

86. Several ministries affected by the Government reorganisation encountered challenges in presenting budget information relating to the Statement of Financial Position items in their financial statements. The major challenge was assigning the original budgeted amounts to the transferred-out departments. In addition, the transferred departmental assets and liabilities significantly affected the asset compositions of the old and new ministries. The current budget framework does not allow budget amounts to be allocated to individual asset classes, and this presented a challenge when such assets had to be split and transferred out of ministries.
87. Ministries did not complete the transfer of assets, liabilities and budgets on time, and the process was not carried out efficiently. I would have expected the MFED to have provided stronger financial leadership. Ideally, the MFED should have driven the process, and transfers should have been completed before year-end.
88. There was very little coordination between the various CFOs of the entities affected by the Government reorganisation. We noted various inconsistencies in the balances of assets transferred and received across ministries. This lack of communication had a significant impact on the completion times of several audits, with a handful not completed by the statutory deadline of 30 April 2022.
89. One such example involved the MFSHA, whose fixed asset register did not reconcile with the underlying accounting records. These register issues pervasively affected audit completion of several other entities, including the MHA and MSCR, which received departments from the MFSHA. As a result, the MSCR and MHA could not meet the statutory deadline because of the unreconciled asset balances transferred.

**Recommendation 7: The Ministry of Finance and Economic Development should provide all public bodies with sound and clear financial leadership in matters that pervasively affect core government. Such matters include driving the revaluation of assets and transferring departments across ministries as a result of reorganisations. These issues need to be completed well in advance of the year-end to ensure that timely and good-quality financial statements are submitted.**

#### **NON-COMPLIANCE WITH SECTION 11(1) AND SECTION 12(3) OF THE PMFA**

90. According to PMFA section 11(5), when an exceptional circumstance has occurred during a financial year, the Cabinet may authorise executive financial transactions for which no appropriation exists if '(a) the executive financial transactions directly relate to, and attempt to remedy the effects of, the exceptional circumstance; and (b) the total amount authorised is no more than five per cent of budgeted executive revenue for the financial year'. I observed that in most instances Cabinet approval was obtained but there were no exceptional circumstances that warranted such authorisation.

91. The PMFA further requires the authorised executive financial transactions to be included in a Supplementary Appropriation Bill introduced in Parliament by 31 March of the year following the relevant financial year. The Supplementary Appropriation Bill was not introduced in Parliament by 31 March 2022 as required by the Act. I have included EOM paragraphs with respect to this in the audit opinions of 12 public bodies, as noted earlier in the report.

#### **INADEQUATE DISCLOSURES IN FINANCIAL STATEMENTS**

92. The quality of financial reporting has improved significantly in recent years, and all audit opinions issued so far for 2021 are unqualified. However, public bodies can do more to ensure adequate disclosures relating to issues such as severance payments, subsequent events and budget variance explanations. Public bodies seem reluctant to disclose sufficient detail about these matters in their financial statements until my Office raises the issues. For example, subsequent event disclosures by the MSCR relating to the Regen project were added only after my Office insisted on the need to make these disclosures as required by accounting standards.

93. Other key disclosures in financial statements that are often inadequate relate to the comparisons of actual amounts with budget amounts. IPSAS 24 requires entities to include such comparisons in their financial statements if they are required, or choose, to make their approved budget(s) publicly available and are, therefore, publicly accountable. IPSAS 24 also requires that an explanation be given for any material differences between budget and actual amounts, but most public bodies do not provide sufficient explanations in their financial statements.

#### **NO TRACKING OF CAPITAL EXPENDITURE RELATED TO INTERNALLY GENERATED SOFTWARE**

94. *IPSAS 31 – Intangible Assets* – requires that all directly attributable costs necessary to create, produce and prepare an asset be capable of operating in the manner intended by management. This includes the costs of materials, employee benefits and amortisation of patents/licences used to generate the asset and excludes selling, administrative and other general overheads.

95. In June 2022, I recommended that ministries monitor the costs of building IT systems with a view to accounting for these as an asset once completed.<sup>4</sup> Although this a requirement of accounting standards, we found that none of the departments had done this. This means that core government entities may understate the value of IT systems in their financial statements. This may also apply to SAGCs.

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<sup>4</sup> *The Government's Shift to Online Services: Performance Audit Reporting*, Office of the Auditor General, June 2022.

## PRE-ELECTION SPENDING AND COMMITMENTS

96. As reported earlier, the general election was held in April 2021. It is important that civil servants ensure that no policy changes or commitments are made in the run-up to or the period immediately after an election. During the year, we highlighted concerns directly related to this issue.
97. **NRA pre-election expenditures** – I noted through the audit of the NRA an unusual spike in ‘executive’ road fund revenue and related costs during the period February–April 2021. This expenditure was approximately \$11 million or 88% of the total \$13 million executive road construction budget for the first four months of 2021. As of 31 December 2021, the NRA had billed a total of \$23 million for this revenue stream. The funding gap was covered by supplemental funding and unused 2020 appropriations. We extended our analysis by comparing these results with those from the previous election year/period (2017) and noted the same trend, that road services revenues increased in the three months leading up to the election.
98. This could indicate an abuse of public funds in the period leading up to the 2021 general election. The analysis we carried out shows a significant spike in road funding revenue billed during the period February–April 2021 (the election was on 14 April 2021). The NRA is susceptible to political interference whereby, to gain political benefit, politicians with influence over its operations may determine when and where road infrastructure projects can be undertaken. I noted that there is no framework governing road construction services for the executive asset construction; this makes the NRA susceptible to political abuse.
99. During 2021, my Office also carried out two pieces of work that covered pre-election spending and commitments. We carried out a performance audit on the Regen contract and a special investigation into the overseas offices and the Dubai World Expo. My Office has not yet published either of these reports, but I summarise some of the findings below.
100. **Regen project** – In 2014, the Government developed a strategic outline case for an integrated solid waste management system, and the procurement of such a system has been ongoing since then. In September 2017, the Government selected Waste Solutions Cayman Ltd (‘the Contractor’) as the preferred bidder for the system. After four years of negotiations, the previous Government and the Contractor signed the contract on 26 March 2021, three weeks before the election. This contract committed the Government to spending a significant amount of money over the following 25 years. The contract was to reach financial close by 30 September 2021, but, as a result of the election, a new Government had been formed by then. The new Government has since revisited the signed contract, and the conclusion of the contract was extended to October 2022. The OAG has reviewed the initial contract signed and will publish a report in due course.

101. **Special investigation – The Dubai World Expo and the Cayman Islands Overseas offices –**

**Examination of potential breaches of legislation** – On 10 February 2021, the previous Government changed the date of the general election, bringing it forward to 14 April 2021. After the election, the new Government raised concerns about the timing of the establishment of the new overseas offices and participation in the Dubai World Expo, given the proximity of these to the 2021 election and resulting potential non-compliance with the PMFA and the *Public Service Management Act* (PSMA). They also raised concerns about the rationale for undertaking these projects, including the business cases and assessments of value for money. As a result, H.E., the Governor, asked me to conduct a special investigation. The Government set the objectives of the investigation, and I was asked to prepare a factual response to these. I have not published this report, but it has received much media attention after being leaked to the press. I therefore summarise some of the findings of this report below.

102. Two of the investigation objectives set by the Government specifically related to activities carried out during the election period. Objective 4 was to determine if the activities conducted during the election period resulted in the establishment of binding commitments to the new government? If so, how early upon taking office should the responsible minister have been fully briefed on the same with suggested options of redress or adjustments? Objective 10 of the investigation was to identify opportunities for improvement (whether through primary or secondary legislation) and best practices related to the expenditure and/or commitment of public funds during an election period and post-election government formation process. In relation to objective 4, I stated that in response to:

- the first question – the answer was 'yes'. On the face of it, and based on the findings for objective 2, the Expo contractual commitment and the various new employee contracts entered into (for the various overseas offices and Expo) appeared to be binding on the new Government. Between 10 February and 20 April 2021, MITIAMA signed employment contracts with the Commissioner of the Expo and five staff of overseas offices. As a result, the new Government is committed to over \$6 million in potential costs over the terms of the various contracts. However, a detailed legal review of all relevant contracts will be necessary to confirm this, and this has not been undertaken as part of this work.
- the second question – there is no formal guidance, but one would expect that the responsible minister should be briefed as soon as possible after taking office. Some of the employment contracts for overseas offices' staff were not signed until after the election. Signing these contracts commits the Government to ongoing new expenditure and so it is reasonable to expect that the minister should have been briefed before this happened to afford the new Government an opportunity to amend the policy direction if required.

103. In response to objective 10, I stated that the purpose of the civil service is to remain politically neutral but serve the Government of the day. International best practice would be to avoid introducing new policies, signing major new procurement contracts and undertaking any novel

and contentious spending, including staff appointments to newly created posts during the period between the day an election is called and the day of the election itself. In the UK, specific rules apply to the operation of the civil service during the pre-election period. As the Cayman Islands is a UK Overseas Territory, its Government is based on the Westminster system. However, it does not align with this good practice, as it does not have a similar policy that prevents new policies, procurements or commitments to major expenditures in the period running up to an election.

104. The costs associated with creating new overseas offices and participating in the Dubai World Expo could be considered 'new policy or novel or contentious expenditure'. The fact that the new Government amended the plans regarding these matters also supports that view. It is worth noting that the signing of the contracts for the overseas offices and World Expo are not isolated examples during the pre-election period. As outlined above, the previous Government also signed the contract for the Integrated Solid Waste Management System (now Regen) on 26 March 2021, less than three weeks before the election. However, in this case, a fall-back date after the election was given for finalising the contract terms.
105. I stated that a comprehensive pre-election policy and set of protocols should be put in place to guide the conduct of the civil service before, during and immediately after an election. This policy could set out restrictions on the use of public resources and the activities of civil servants and ministers in the period between an election being called and the election itself, and it could also guide operations immediately after the election. The policy should also clarify to existing ministers that they may not initiate new policies, new projects or spending once an election has been called to ensure that the electoral process remains fair and avoid the risk of biasing the voting population.
106. In the Deputy Governor's formal response to the report on 4 May 2022, he stated that, as a consequence of the OAG report, a formal policy entitled 'Period of Election Sensitivity' had been developed and was awaiting formal Cabinet approval. This policy is intended to provide clear information about how civil servants and ministers should conduct government business once an election has been called.

## CONCLUSION AND RECOMMENDATIONS

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107. This report summarises our audits of ministries, portfolios, offices, statutory authorities and government companies of the Cayman Islands Government for 2021.
108. The quality of financial reporting has improved significantly in recent years, and all audit opinions issued for 2021 so far are unqualified. However, we experienced some specific challenges with the 2021 audits because of core government reorganisation and revaluation of property, plant and equipment that highlight the need for further improvements to the quality of financial statements. Public bodies can also do more to ensure adequate disclosures relating to issues such as severance payments, subsequent events, commitments and budget variance explanations.
109. Although the number of entities preparing annual reports has increased, the tabling of these reports is still a cause for concern. The tabling and publication of annual reports are crucial for effective accountability and transparency. Tabling annual reports is a requirement of the PMFA, and financial accountability to key stakeholders is significantly reduced if this is not done. Although progress was made in tabling annual reports in previous years, it is disappointing that in 2021, only 8 out of a total of 42 public bodies with completed audits laid their annual reports.
110. While the story is of progress regarding financial reporting, specifically at the individual public body level, the Government must now focus on the entire public sector account. I recommend in paragraph 36 that the MFED develop and implement an action plan to improve the quality of the consolidated financial statements of the entire public sector. The action plan should set out a roadmap for moving to a qualified audit opinion in the first instance and an unqualified audit opinion in the longer term.
111. In paragraph 81, I recommend that the Government ensure that all annual reports provide an assessment of performance against the outputs and outcomes that are agreed in budget documents, including an explanation of any variations.
112. Paragraph 89 states that the MFED should provide sound and clear financial leadership to all public bodies in matters that pervasively affect the Cayman Islands Government. Such issues include driving the revaluation of assets and ensuring that CFOs follow clear instructions pertaining to transferring departments across ministries. These issues need to be completed well in advance of the year-end to ensure that timely and good-quality financial statements are submitted.



113. In paragraph 18, I recommend that the Government consider the necessity of the SIAHDC continuing as a separate entity given the lack of value provided to the Caymanian public. No houses have been built or sold in the last two years and yet the costs of maintaining the entity structure, including of performing a full audit, continue.
114. In paragraph 66, I recommend that the Government amend the *Standards in Public Life Act* to require that notice of interest forms cover the entire financial year and that public bodies can retain and use relevant information from these to manage any potential conflicts of interest.
115. In paragraph 61, I recommend that the CIMA, the HSA, the NRA and WACI urgently complete the implementation of the *Public Authorities Act* to be compliant with the law.
116. In paragraph 63, I recommend that the Government consider the financial implications before further implementation of *Public Authorities Act* section 47. This recommendation I consider to be a priority as the costs of harmonisation of SAGCs onto Civil Service terms and conditions will be high requiring financial re-prioritisation choices to be made. As such it should require an active policy decision by the Government once the financial impact of this is quantified and either funding provided to SAGCs or an amendment made to the *Public Authorities Act*.



*Sue Winspear CPFA  
Auditor General  
George Town, Grand Cayman  
Cayman Islands*

*6<sup>th</sup> October 2022*

## APPENDIX A – STATUS OF AUDITS: 2015–16 TO 2021

Ministries, Portfolios and Offices	2015 – 16			2016 – 17			2018			2019			2020			2021		
	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the House of Parliament	Date Audit Completed or Progress	Audit Opinion	Tabled in the House of Parliament
Cabinet Office	28-Feb-18	Unqualified with Emphasis of Matter		30-Apr-18	Unqualified	26-Jul-19	23-Apr-19	Unqualified with Emphasis of Matter	26-Jul-19	24-Apr-20	Unqualified		28-Apr-21	Unqualified		30-Apr-22	Unqualified with Emphasis of Matter	
Office of the Director of Public Prosecutions	31-Oct-16	Unqualified	27-Mar-17	30-Apr-18	Unqualified	12-Sep-18	30-Apr-19	Unqualified	14-Nov-19	30-Apr-20	Unqualified	7-Dec-20	30-Apr-21	Unqualified	15-Jul-21	29-Apr-22	Unqualified	10-Jun-22
Information Commissioner's Office	31-Oct-16	Unqualified	22-Mar-17	30-Apr-18	Unqualified	12-Apr-19	N/A			N/A			N/A			N/A		
Judicial Administration	31-Oct-16	Qualified	27-Mar-17	30-Apr-18	Unqualified	31-Jan-20	30-Apr-19	Unqualified		30-Apr-20	Unqualified		30-Apr-21	Unqualified		30-Apr-22	Unqualified with Emphasis of Matter	
Ministry of Planning, Agriculture, Housing and Infrastructure	31-Oct-16	Unqualified	15-Mar-17	13-Jul-18	Unqualified	14-Nov-18	29-Apr-19	Unqualified	31-Jan-20	30-Apr-20	Unqualified	14-Oct-20	22-Apr-21	Unqualified	15-Jul-21	30-Apr-22	Unqualified with Emphasis of Matter	
Ministry of Community Affairs	15-Sep-17	Unqualified		3-May-18	Qualified	11-Dec-20	15-Apr-19	Unqualified	24-Jul-19	20-Apr-20	Unqualified	14-Jul-21	19-Apr-21	Unqualified	14-Jul-21	30-Jul-22	Unqualified with Emphasis of Matter	
Ministry of Tourism & Transport	18-Nov-16	Unqualified	27-Mar-17	3-May-18	Unqualified	28-Jun-18	25-Apr-19	Unqualified	13-Nov-19	30-Apr-20	Unqualified	29-Jul-20	9-Apr-21	Unqualified	8-Dec-21	29-Apr-22	Unqualified with Emphasis of Matter	
Ministry of Education	16-Nov-18	Unqualified	26-Jul-19	18-Dec-19	Unqualified	10-Dec-20	18-Dec-19	Unqualified	10-Dec-20	21-Jul-20	Unqualified	10-Dec-20	21-Apr-21	Unqualified	15-Jul-21	28-Apr-22	Unqualified with Emphasis of Matter	
Ministry of Border Control and Labour	31-Oct-16	Unqualified	24-Feb-17	30-Apr-18	Qualified		30-Apr-19	Unqualified	30-Jan-20	3-Sep-20	Unqualified	21-Jul-21	23-Apr-21	Unqualified	21-Jul-21	20-Apr-22	Unqualified with Emphasis of Matter	
Ministry of Finance and Economic Development	25-Oct-16	Unqualified	15-Mar-17	8-Apr-18	Unqualified	27-Jun-18	15-Mar-19	Unqualified	12-Apr-19	6-Mar-20	Unqualified	29-Jun-20	10-Mar-21	Unqualified	15-Jul-21	10-Mar-22	Unqualified	9-Jun-22
Ministry of Financial Services and Home Affairs	31-Oct-16	Unqualified with Emphasis of Matter	24-Feb-17	13-Jul-18	Unqualified	12-Apr-19	17-Apr-19	Unqualified with Emphasis of Matter	13-Nov-19	28-Apr-20	Unqualified	14-Oct-20	30-Jul-21	Unqualified	8-Jun-22	In progress		
Ministry of Health and Wellness	3-Aug-18	Unqualified with Other Matter		In progress			In progress			In progress			In progress			In progress		
Ministry of International Trade, Investment, Maritime & Aviation	N/A			N/A			N/A			30-Apr-20	Unqualified	11-Dec-20	19-Apr-21	Unqualified	14-Jul-21	29-Apr-22	Unqualified with Emphasis of Matter	

Ministries, Portfolios and Offices	2015 – 16			2016 – 17			2018			2019			2020			2021		
	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the House of Parliament	Date Audit Completed or Progress	Audit Opinion	Tabled in the House of Parliament
Ministry of Sustainability and Climate Resilience	N/A			N/A			N/A			N/A			N/A			5-Aug-22	Unqualified with Emphasis of Matter	
Ministry of District Administration and Lands	N/A			N/A			N/A			N/A			N/A			7-Jul-22	Unqualified with Emphasis of Matter	
Ministry of Home Affairs	N/A			N/A			N/A			N/A			N/A			30-Aug-22	Unqualified with Emphasis of Matter	
Ministry of Youth, Sports, Culture and Heritage	N/A			N/A			N/A			N/A			N/A			30-Apr-22	Unqualified	
Ministry of Financial Services and Commerce	N/A			N/A			N/A			N/A			N/A			In progress		
Ministry of Investment, Innovation and Social Development	N/A			N/A			N/A			N/A			N/A			In progress		
Cayman Islands Parliament	N/A			N/A			N/A			N/A			N/A			26-Apr-22	Unqualified with Emphasis of Matter	
Office of the Complaints Commissioner	31-Oct-16	Unqualified	22-Mar-17	30-Apr-18	Unqualified	12 April 2019	N/A			N/A			N/A			N/A		
Office of the Ombudsman	N/A			30-Apr-18	Unqualified	12-Apr-19	30-Apr-19	Unqualified	13-Nov-19	30-Apr-20	Unqualified	29-Jul-20	30-Apr-21	Unqualified	14-Jul-21	27-Apr-22	Unqualified	
Portfolio of Legal Affairs	31-Oct-16	Unqualified	27-Mar-17	2-May-18	Unqualified	27-Jun-18	30-Apr-19	Unqualified	14-Nov-19	30-Apr-20	Unqualified	14-Oct-20	30-Apr-21	Unqualified with Emphasis of Matter	15-Jul-21	30-Apr-22	Unqualified	8-Jun-22
Portfolio of the Civil Service	31-Oct-16	Unqualified with Emphasis of Matter	16-Mar-18	30-Apr-18	Unqualified	26-Jul-19	30-Apr-19	Unqualified		25-Apr-20	Unqualified	14-Oct-20	26-Apr-21	Unqualified	15-Jul-21	16-Apr-22	Unqualified with Emphasis of Matter	9-Jun-22
Office of the Commissioner of Police	N/A			N/A			N/A			N/A			13-Apr-21	Unqualified	10-Jun-22	31-Mar-22	Unqualified	10-Jun-22
Entire Public Sector	19-Oct-17	Adverse	6-Sep-18	9-Sep-19	Adverse		10-Aug-21	Adverse		5-Jul-22	Adverse		In progress			In progress		

**Notes:**

1. The Information Commissioner's Office and the Office of the Complaints Commissioner were merged into the Office of the Ombudsman in 2017.
2. In January 2019 the Ministry of International Trade, Investment, Maritime and Aviation was established.
3. In January 2020 the Office of the Commissioner of Police was established.

SAGC	2015 – 16			2016 – 17			2018			2019			2020			2021		
	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the House of Parliament	Date Audit Completed or Progress	Audit Opinion	Tabled in the House of Parliament
Auditor Oversight Authority	21-Oct-16	Unqualified	24-Feb-17	20-Apr-18	Unqualified with Emphasis of Matter	27-Jun-18	11-Mar-19	Unqualified	24-Jul-19	12-Mar-20	Unqualified	1-Jul-20	31-Mar-21	Unqualified	15-Jul-21	25-Mar-22	Unqualified	9-Jun-22
Cayman Airways Ltd	24-Feb-17	Unqualified with Emphasis of Matter	14-Mar-18	25-May-18	Unqualified with Emphasis of Matter	24-Jul-19	18-Feb-20	Unqualified with Emphasis of Matter	8-Dec-21	4-Jun-21	Unqualified with Emphasis of Matter	8-Dec-21	14-Mar-22	Unqualified		26-Aug-22	Unqualified with Emphasis of Matter	
Cayman Islands Airports Authority	5-Jun-19	Unqualified	24-Jul-19	30-Jul-21	Unqualified		In progress			In progress			In progress			In progress		
Cayman Islands Development Bank	26-Oct-16	Unqualified with Emphasis of Matter	22-Feb-17	17-May-18	Unqualified with Emphasis of Matter	12-Apr-19	2-Aug-19	Unqualified with Emphasis of Matter	5-Dec-19	20-Jul-20	Unqualified with Emphasis of Matter	15-Jul-21	28-Apr-21	Unqualified	8-Jun-22	29-Apr-22	Unqualified with Emphasis of Matter	
Cayman Islands Monetary Authority	20-Dec-16	Unqualified	1-Nov-17	30-Apr-18	Unqualified	28-Jun-18	30-Apr-19	Unqualified	24-Jul-19	15-Sep-20	Unqualified with Emphasis of Matter	7-Dec-20	30-Apr-21	Unqualified	8-Dec-21	29-Apr-22	Unqualified with Emphasis of Matter	
Cayman Islands National Insurance Company	25-Apr-19	Unqualified	26-Jul-19	25-Apr-19	Unqualified	26-Jul-19	30-Sep-19	Unqualified	5-Dec-19	30-Apr-20	Unqualified with Emphasis of Matter	23-Oct-20	28-Apr-21	Unqualified	8-Dec-21	28-Apr-22	Unqualified	10-Jun-22
Cayman Islands National Museum	26-Oct-16	Qualified with Emphasis of Matter	23-Aug-17	15-Nov-18	Unqualified with Emphasis of Matter	15-Jul-21	30-Apr-19	Unqualified with Emphasis of Matter	5-Dec-19	30-Apr-20	Unqualified	15-Jul-21	26-Apr-21	Unqualified	8-Dec-21	6-Apr-22	Unqualified	

SAGC	2015 – 16			2016 – 17			2018			2019			2020			2021		
	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the House of Parliament	Date Audit Completed or Progress	Audit Opinion	Tabled in the House of Parliament
Cayman Islands Stock Exchange	28-Oct-16	Unqualified	24-Feb-17	30-Apr-18	Unqualified	27-Jun-18	30-Apr-19	Unqualified	24-Jul-19	30-Apr-20	Unqualified	1-Jul-20	30-Apr-21	Unqualified	15-Jul-21	29-Apr-22	Unqualified	
Cayman National Cultural Foundation	31-Oct-16	Qualified with Emphasis of Matter		30-Apr-18	Qualified with Emphasis of Matter	9-Dec-20	29-Apr-19	Unqualified with Emphasis of Matter	9-Dec-20	22-Apr-20	Unqualified	8-Dec-21	29-Apr-21	Unqualified	8-Dec-21	13-May-22	Unqualified	
Cayman Turtle Conservation and Education Center Limited	28-Oct-16	Unqualified with Emphasis of Matter	13-Nov-19	18-Dec-19	Unqualified with Emphasis of Matter	23-Oct-20	14-May-20	Unqualified with Emphasis of Matter	23-Oct-20	14-May-20	Unqualified with Emphasis of Matter and Other Matter	23-Oct-20	In progress			In progress		
Children & Youth Services Foundation	26-Oct-16	Unqualified	22-Feb-17	30-Apr-18	Unqualified with Emphasis of Matter		20-Jun-19	Unqualified		29-Jun-20	Unqualified	11-Dec-20	30-Apr-21	Unqualified	14-Jul-21	30-Apr-22	Unqualified	
Civil Aviation Authority	31-Oct-16	Unqualified	24-Feb-17	30-Apr-18	Unqualified	28-Jun-18	17-May-19	Unqualified with Emphasis of Matter	31-Jan-20	22-May-20	Unqualified	7-Dec-20	30-Apr-21	Unqualified	8-Jun-22	20-May-22	Unqualified	
Electricity Regulatory Authority	27-Oct-16	Unqualified with Emphasis of Matter	22-Feb-17	30-Apr-18	Unqualified with Emphasis of Matter	27-Jun-18	N/A			N/A			N/A			N/A		
Health Services Authority	13-Apr-17	Qualified with Other Matter	23-Aug-17	30-Apr-18	Qualified	24 July 2019	30-Apr-19	Unqualified with Emphasis of Matter	9-Dec-20	30-Apr-20	Unqualified with Emphasis of Matter	14-Jul-21	30-Apr-21	Unqualified	8-Jun-22	30-Apr-22	Unqualified with Emphasis of Matter	

SAGC	2015 – 16			2016 – 17			2018			2019			2020			2021		
	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the House of Parliament	Date Audit Completed or Progress	Audit Opinion	Tabled in the House of Parliament
Information and Communications Technology	31-Oct-16	Unqualified with Emphasis of Matter	27-Jun-18	30-Apr-18	Unqualified with Emphasis of Matter	27-Jun-18	N/A			N/A			N/A			N/A		
Maritime Authority of the Cayman Islands	31-Oct-16	Qualified with Other Matter	24-Feb-17	8-Aug-18	Unqualified	14-Nov-18	23-Aug-19	Unqualified	13-Jan-20	6-Aug-20	Unqualified	7-Dec-20	15-Dec-21	Unqualified	8-Jun-22	29-Jul-22	Unqualified	
National Drug Council	21-Oct-16	Unqualified	9-Dec-20	30-Apr-18	Unqualified	9-Dec-20	3-May-19	Unqualified with Emphasis of Matter and Other Matter	21-Jul-21	30-Apr-20	Unqualified	21-Jul-21	30-Apr-21	Unqualified	8-Jun-22	29-Apr-22	Unqualified	
National Gallery of the Cayman Islands	28-Oct-16	Qualified with Emphasis of Matter and Other Matter	23-Aug-17	30-Apr-18	Unqualified	11-Dec-20	30-Apr-19	Unqualified with Emphasis of Matter and Other Matter	11-Dec-20	29-Apr-20	Unqualified	11-Dec-20	30-Apr-21	Unqualified	8-Dec-21	29-Apr-22	Unqualified with Other Matter	
National Housing and Development Trust	24-Oct-17	Unqualified with Other Matter		30-Apr-18	Unqualified		2-Aug-19	Unqualified		4-Feb-21	Unqualified		30-Apr-21	Unqualified		30-Apr-22	Unqualified	
National Roads Authority	26-May-17	Unqualified with Emphasis of Matter	14-Mar-18	2-Nov-18	Unqualified with Emphasis of Matter	15-Jul-21	30-Apr-19	Unqualified with Emphasis of Matter	15-Jul-21	27-Apr-20	Unqualified with Emphasis of Matter	15-Jul-21	30-Apr-21	Unqualified	9-Jun-22	4-May-22	Unqualified with Emphasis of Matter	
Port Authority of the Cayman Islands	15-Sep-17	Unqualified with Emphasis of Matter	24-Jul-19	20-Sep-19	Unqualified	16-Oct-20	20-Sep-19	Unqualified	16-Oct-20	13-Nov-20	Unqualified with Emphasis of Matter	15-Jul-21	1-Apr-21	Unqualified	8-Dec-21	5-Apr-22	Unqualified	

SAGC	2015 – 16			2016 – 17			2018			2019			2020			2021		
	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the Legislative Assembly	Date Audit Completed or Progress	Audit Opinion	Tabled in the House of Parliament	Date Audit Completed or Progress	Audit Opinion	Tabled in the House of Parliament
Public Service Pensions Board	28-Oct-16	Unqualified with Emphasis of Matter	15-Mar-17	30-Apr-18	Unqualified with Emphasis of Matter	29-Jun-20	17-Apr-19	Unqualified with Emphasis of Matter	24-Jul-19	29-Apr-20	Unqualified with Emphasis of Matter	1-Jul-20	29-Apr-21	Unqualified	21-Jul-21	27-Jul-22	Unqualified	
Segregated Insurance Fund	26-Oct-16	Unqualified with Other Matter	22-Feb-17	19-Apr-18	Unqualified with Emphasis of Matter and Other Matter	14-Jul-21	21-Mar-19	Unqualified	14-Jul-21	13-Mar-20	Unqualified	14-Jul-21	1-Apr-21	Unqualified		13-Apr-22	Unqualified	9-Jun-22
Sister Islands Affordable Housing Development Corporation	31-Oct-16	Unqualified	13-Nov-19	30-Apr-18	Unqualified	28-Jun-18	27-May-19	Unqualified	13-Nov-19	13-Mar-20	Unqualified	29-Jul-20	29-Mar-21	Unqualified	15-Jul-21	19-Apr-22	Unqualified with Emphasis of Matter	
Tourism Attractions Board	8-Aug-18	Unqualified	24-Jul-19	2-Nov-18	Unqualified	24-Jul-19	18-Apr-19	Unqualified	10-Jun-22	29-Apr-20	Unqualified	10-Jun-22	30-Apr-21	Unqualified		30-Apr-22	Unqualified with Emphasis of Matter	
University College of the Cayman Islands	26-Oct-16	Unqualified	30-Jan-20	30-Apr-18	Unqualified	30-Jan-20	27-Jun-19	Unqualified	14-Jul-21	30-Apr-20	Unqualified	10-Dec-20	11-Oct-21	Qualified	8-Jun-22	30-Apr-22	Unqualified with Emphasis of Matter	
Utilities Regulation and Competition Office	N/A			30-Apr-18	Unqualified	27-Jun-18	30-Apr-19	Unqualified	14-Oct-20	21-Jul-21	Unqualified		30-Nov-21	Unqualified		30-Apr-22	Unqualified	
Water Authority of the Cayman Islands	31-Oct-16	Unqualified	14-Mar-18	30-Apr-18	Unqualified	24-Jul-19	27-Nov-19	Unqualified	14-Jul-21	30-Apr-20	Unqualified with Emphasis of Matter	14-Jul-21	29-Apr-21	Unqualified	8-Dec-21	30-Apr-22	Unqualified with Emphasis of Matter and Other Matter	

**Notes:**

*The Electricity Regulatory Authority and the Information Communication Technology Authority were merged into the Utility Regulation and Competition Office with effect from January 2017.*

## APPENDIX B – FINANCIAL PERFORMANCE OF MINISTRIES, PORTFOLIOS AND OFFICES

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117. This appendix provides a high-level summary of the financial performance of all core government entities, i.e. ministries, portfolios and offices. For those entities whose 2021 audits have not yet been completed, we have used budgetary information or the latest information submitted to allow a comparative analysis. I have also highlighted some of the control deficiencies and other significant findings noted while auditing some of these entities. A summary of control deficiencies is included in Appendix F, and further details can be found in the individual ISA 260 reports published on our website:

<http://www.auditorgeneral.gov.ky/annualauditreportsforindividualentities>

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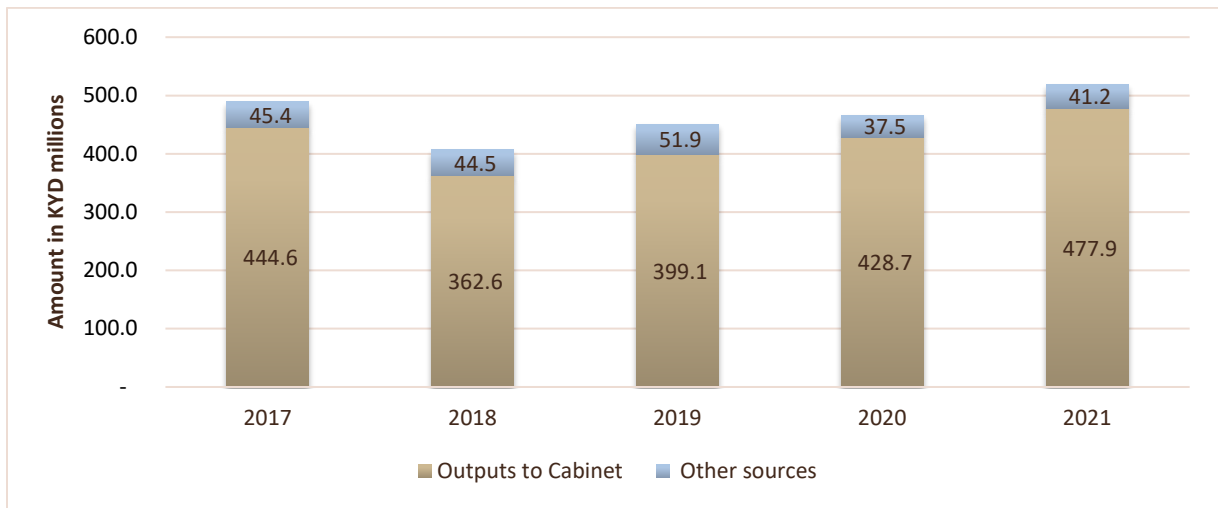
### SUMMARY FINANCIAL ASSESSMENT – REVENUES

118. Ministries, portfolios and offices generate revenue by delivering goods and services on behalf of the Cabinet and collecting revenue from the resulting outputs. They also charge public members directly for goods and services not deemed coercive (i.e. fees, duties, etc.) collected on behalf of the Treasury and not retained by the collecting core government entity.

119. The revenue from Cabinet is, in essence, the recovery of the cost that entities incur in providing outputs on its behalf. This revenue is authorised through the appropriation process. Exhibit 8 shows that over the five-year period from 2016–17 to 2021, the total amount of revenue generated from the provision of outputs to the Cabinet increased by 7.5% from \$444.6 million to \$477.9 million. Over the same period, the total revenue, which includes revenue from other sources, increased by 11.4% from \$490 million to \$519.1 million.



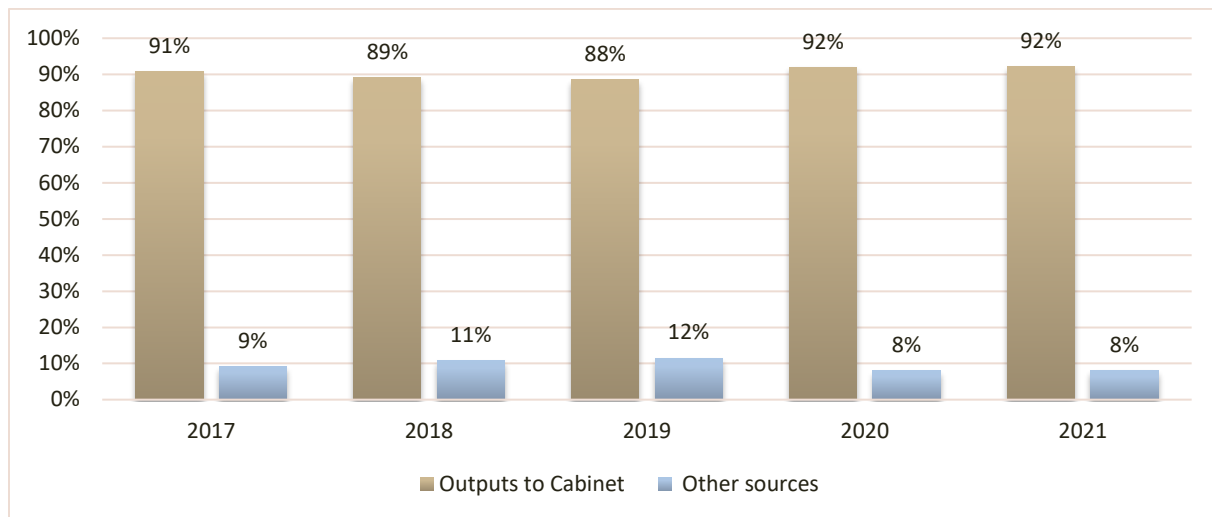
**Exhibit 8: Total revenues of ministries, portfolios and offices by source, 2016–17 to 2021**



*Note: 2016–17 was an 18-month period.*

120. Exhibit 9 summarises the total revenue of ministries, portfolios and offices by source as a percentage of the total revenue from 2016–17 to 2021. Although revenue increased, the allocation source remained relatively consistent over the same period, with approximately 90% of the total revenue sourced from outputs to Cabinet; the remaining 10% came from other sources.

**Exhibit 9: Total revenues of ministries, portfolios and offices by type (%), 2016–17 to 2021**



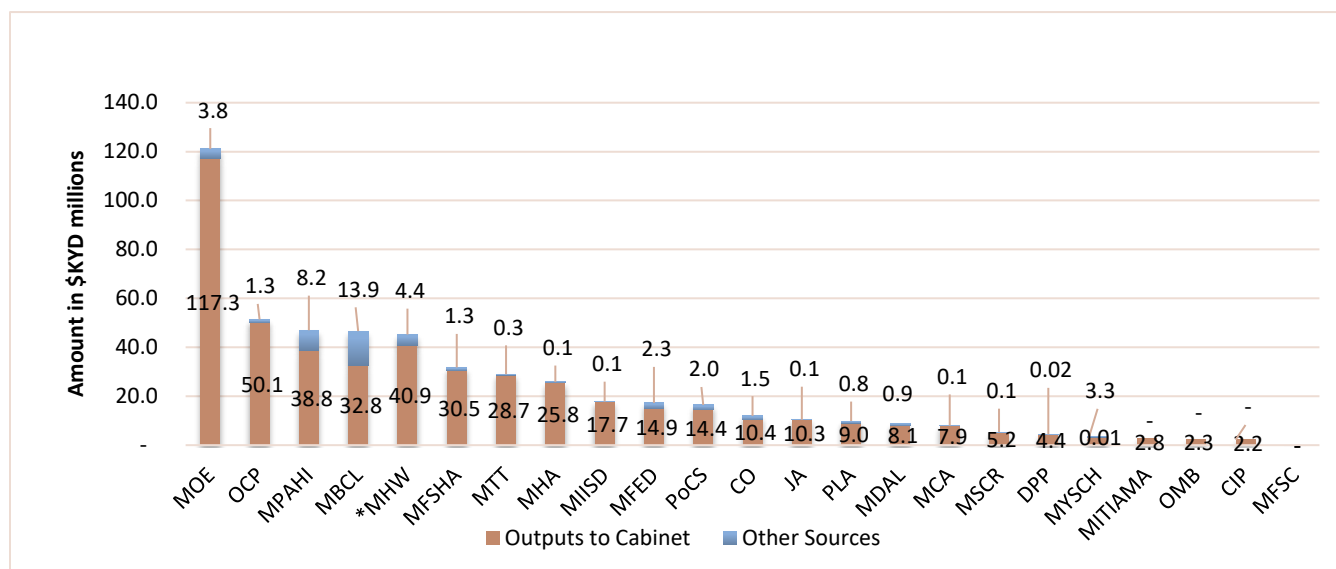
*Note: 2016–17 was an 18-month period.*

121. The largest component of the revenue generated from the Cabinet is the recovery of payroll costs for civil servants whom entities employ to provide outputs. This is the same for most governments, which are labour driven because a considerable portion of their programmes and

activities are service orientated. On average, for the five years between 2016–17 and 2021, revenues from outputs constituted 90% of core government entities’ outputs.

122. Exhibit 10 shows the total revenue and the revenue by source in 2021 earned by each of the ministries, portfolios and offices except the OAG.

**Exhibit 10: Total revenues by source and by ministry, portfolio and office, 2021**



*Note: The amount for MHW has been obtained from the budget statements, while those of both the Ministry of Investment, Innovation and Social Development (MIISD) and MFSHA have been obtained from the unaudited draft financial statements submitted for audit. No reliable financial information is available for MFSC and hence it has been presented as nil.*

123. As reported earlier, there is currently no comprehensive performance management reporting framework that demonstrates if the planned outputs were achieved effectively and efficiently. Financial reporting is done only on an input cost basis and primarily assesses whether budget allocations have been exceeded or met. There are no details on whether the resources were used efficiently and effectively as authorised for the specific objective.

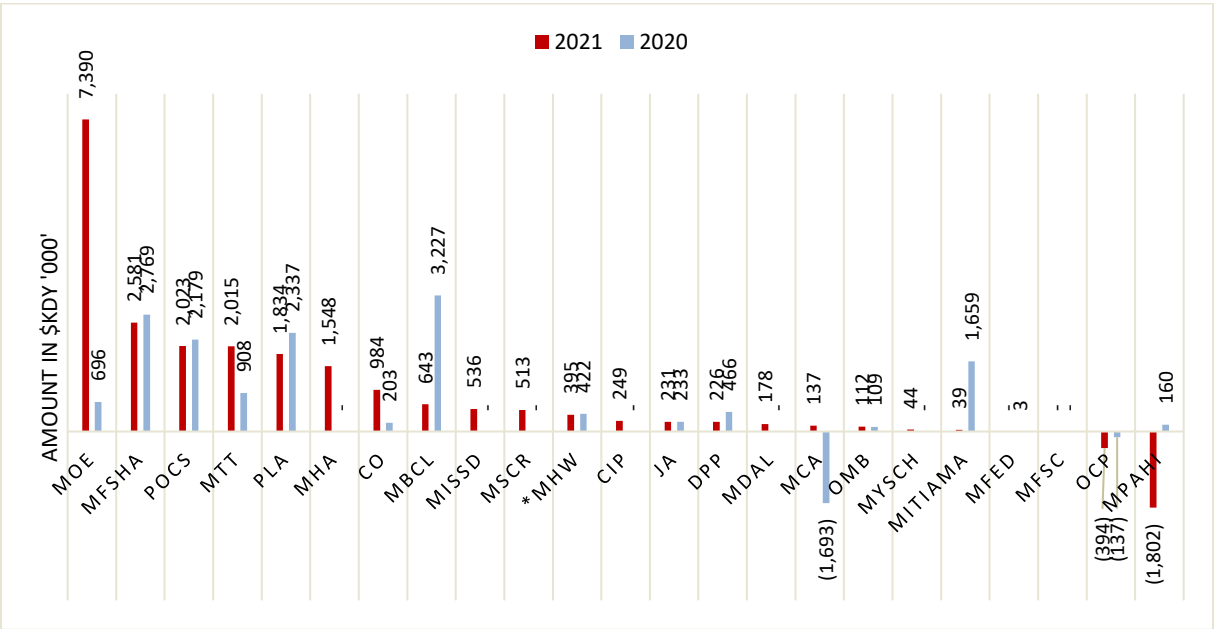
## FINANCIAL PERFORMANCE AND POSITION

124. For 2021, all but two of the core government entities audited reported a surplus, i.e. total revenue exceeded total expenditure. Both MPAHI and OCP reported a deficit.

125. To obtain a complete picture, one should not assess this positive financial performance alone. It is essential to also consider the related service performance indicators and measures to determine the efficiency and effectiveness of the respective entities’ operations. It is currently not possible to carry out this balanced assessment because of the suspension of PMFA provisions that require entities to report on their outputs.

126. Exhibit 11 shows the net surplus or deficit for all ministries, portfolios and offices for the year ended 31 December 2021.

**Exhibit 11: Surplus/(deficit) by ministry, portfolio and office, 2021 and 2020**



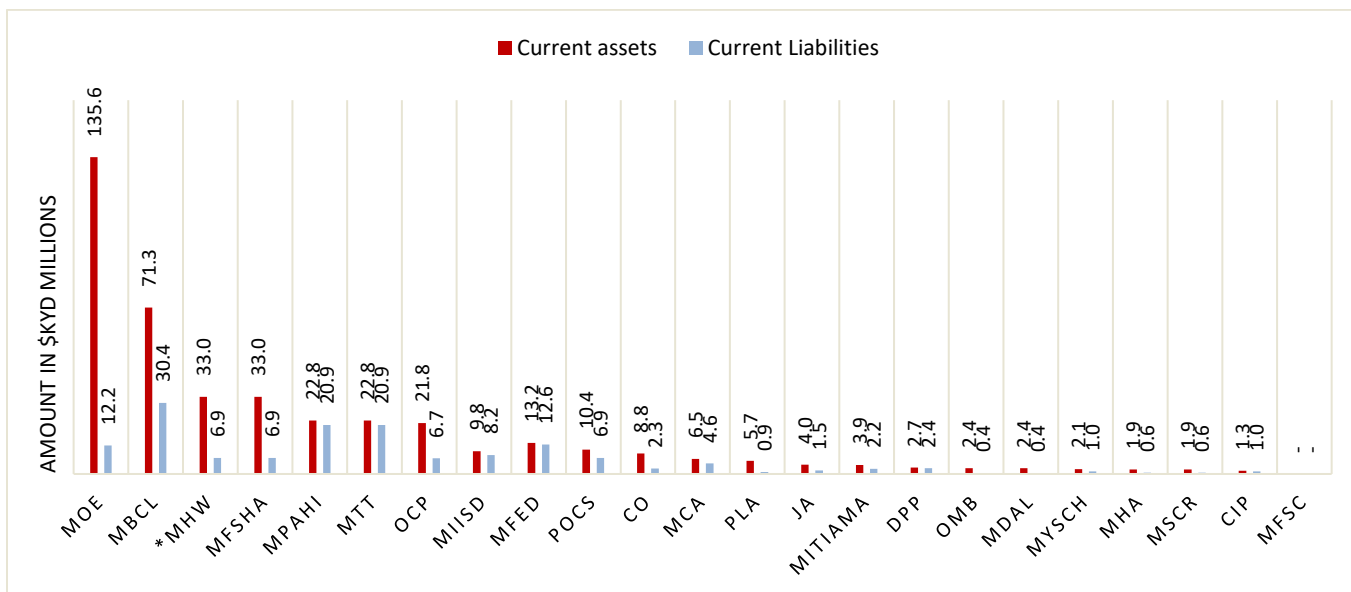
*\*Note: The amount for MHW has been obtained from the budget statements, while those of both MIISD and MFHSA have been obtained from the unaudited draft financial statements submitted for audit. No reliable financial information is available for MFSC and hence it has been presented as nil.*

127. Exhibit 11 shows that the Ministry of Education (MOE) reported the largest surplus of all core government entities. This was due to underspending, as various programme support services could not be initiated because of the COVID-19 pandemic.

128. Apart from the two that recorded deficits, all entities reported healthy financial positions. All entities have positive current ratios, i.e. they have adequate assets to meet current obligations.

129. Exhibit 12 shows the current assets compared with the current liabilities for each ministry, portfolio and office in 2021.

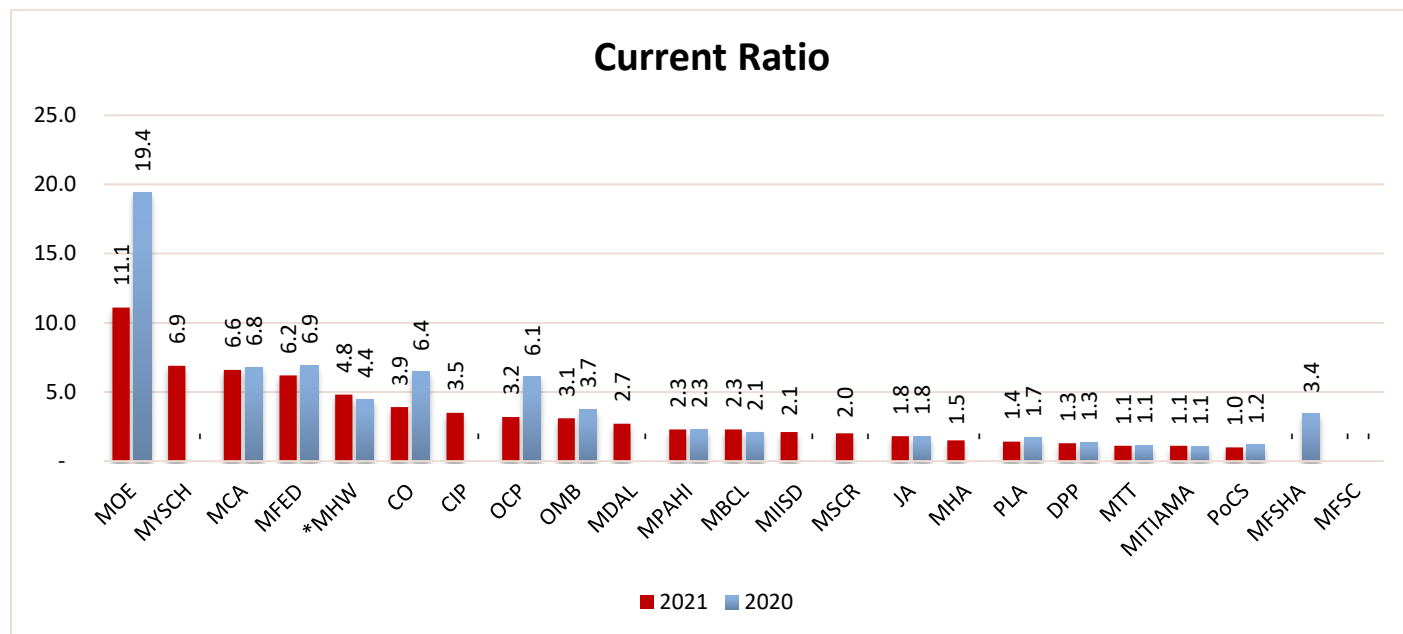
**Exhibit 12: Current assets compared with current liabilities by ministry, portfolio and office, 2021**



*\*Note: The amount for MHW has been obtained from the budget statements, while those of both MIISD and MFSHA have been obtained from the unaudited draft financial statements submitted for audit. No reliable financial information is available for MFSC and hence it has been presented as nil.*

130. A current ratio of one (1) means that the amount of current assets held (cash and easily liquidated assets such as accounts receivables and inventory) is the same as the current obligations of a core government entity. Therefore, a current ratio of more than one indicates a positive asset position, and, conversely, a current ratio of less than one indicates a shortfall of assets to meet current obligations. Exhibit 13 shows the current ratio for each of the ministries, portfolios and offices for 2020 and 2021.

**Exhibit 13: Current ratios by ministry, portfolio and office, 2021 and 2020**



**Notes:**

1. \*The amount for MHW has been obtained from the budget statements.
2. The amounts for MIISD and MFSHA have been obtained from the unaudited draft financial statements submitted for audit.
3. No reliable financial information is available for MFSC and hence it has been presented as nil.

131. Based on our calculations, the MOE reported the highest current ratio, at 11.1, which was attributable to significant current assets of \$135.6 million, consisting of \$112.0 million of cash and cash equivalents and \$23.6 million of other current assets. The Ministry of Youth, Sports, Culture and Heritage (MYSCH) had the second-highest current ratio, at 6.9, while the Portfolio of the Civil Service (PoCS) had the lowest ratio, at 1.0.

# APPENDIX C – FINANCIAL PERFORMANCE OF STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES

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132. This appendix provides a general financial assessment of SAGCs. Unaudited numbers from the budget statements have been used for those entities whose audits for the 2021 fiscal year are still in progress. A summary of control deficiencies is included in Appendix F, and further details can be found in the individual ISA 260 reports published on our website:  
<http://www.auditorgeneral.gov.ky/annualauditreportsforindividualetities>

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## REVENUE FROM GOVERNMENT

133. Like core government entities, SAGCs generate revenues from the services that they deliver. SAGCs receive revenue from two main sources: providing various services to the general public on behalf of Government, as agreed in their ownership and purchase agreements; and fees and charges. In 2021, SAGCs generated a total revenue of \$595 million, with \$101.3 million from providing services (outputs) to Government and \$493.6 million from other sources. Exhibit 14 lists the amount of revenue by source for each SAGC.

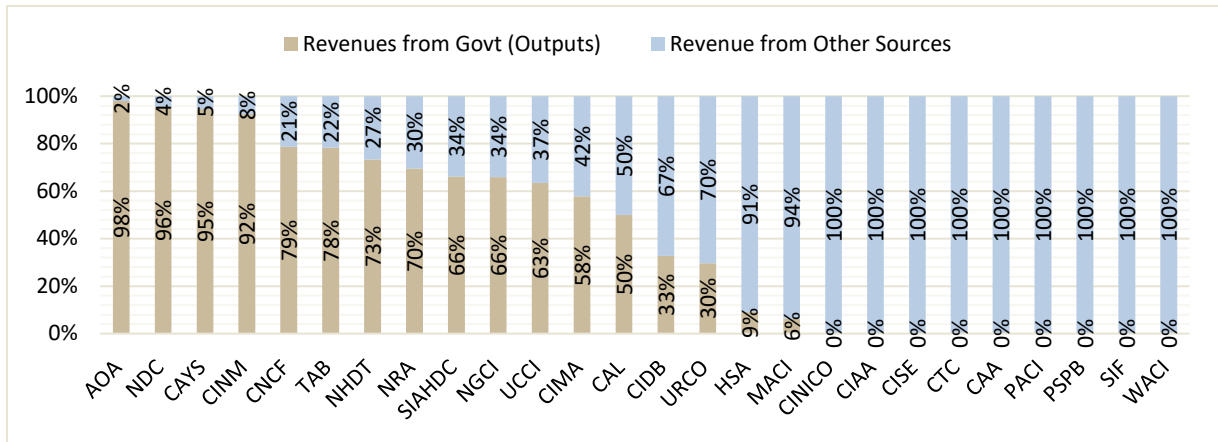
**Exhibit 14: SAGC revenues by type, 2021**

Entity	Revenues from Govt. (outputs)	Revenue from other sources	Total revenue
Cayman Islands Monetary Authority	24,641,000	18,030,000	42,671,000
*Cayman Airways Limited	18,455,000	58,103,000	76,558,000
Health Services Authority	15,417,920	153,656,467	169,073,757
National Roads Authority	23,236,443	10,173,107	33,409,550
University College of the Cayman Islands	6,919,100	3,993,307	10,912,407
Children and Youth Services Foundation	3,100,000	174,547	3,274,547
Tourism Attractions Board	2,200,000	609,614	2,809,614
Utility Regulation and Competition Office	1,714,329	4,068,757	5,783,086
Cayman National Cultural Foundation	1,088,800	294,943	1,383,744
Cayman Islands National Museum	855,000	70,085	925,085
National Gallery of the Cayman Islands	736,000	381,480	1,117,480
National Drug Council	689,355	32,443	721,798
National Housing Development Trust	675,000	133,000	921,000
Maritime Authority of the Cayman Islands	674,528	9,964,903	10,639,431
Cayman Islands Development Bank	566,768	1,162,161	1,728,929
Auditors Oversight Authority	285,845	6,075	291,920
Sister Islands Affordable Housing Development Corporation	45,000	23,000	68,000
Cayman Islands National Insurance Company	-	112,964,175	112,964,175
*Cayman Islands Airport Authority	-	34,340,699	34,340,699
Cayman Islands Stock Exchange	-	4,597,751	4,597,751
*Cayman Turtle Conservation and Education Centre Limited	-	9,640,247	9,640,247
Civil Aviation Authority	-	8,807,994	8,807,994
Port Authority of the Cayman Islands	-	22,280,219	22,280,219
Public Service Pensions Board	-	308,000	308,000
Segregated Insurance Fund of the Cayman Islands	-	5,617,740	5,617,740
Water Authority of the Cayman Islands	-	34,172,955	34,172,955
<b>Total</b>	<b>101,299,459</b>	<b>493,606,669</b>	<b>595,019,128</b>

*Notes: \*The figures for CAL, CIAA and CTC are budgeted amounts, as the 2021 audits were incomplete at the time this report was written.*

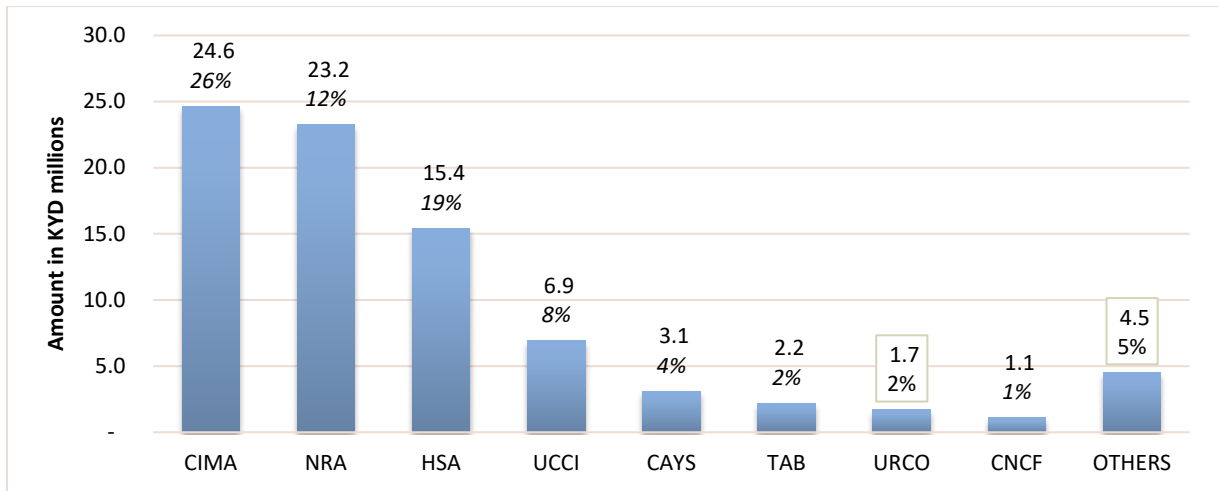
134. Nine SAGCs do not receive any output revenue from the Government. However, some receive more than 50% of their total revenue from the Government; without this, they would not be able to sustain their operations. Exhibit 15 shows the percentage of revenues that SAGCs received from the Government and other sources in 2021. Exhibit 16 shows that 12 out of 26 SAGCs rely on more than 50% of government revenue. It also shows that 4 out of 26 SAGCs (Auditors Oversight Authority, National Drug Council, Children and Youth Services Foundation and Cayman Islands National Museum) rely on more than 90% of government revenue.

**Exhibit 15: SAGCs’ Government revenue compared with revenue from other sources, 2021**



135. The Government provided \$101.3 million to SAGCs in 2021. Of this total, \$81.7 million (81%) was billed by four entities. Exhibit 16 below shows the top billers of output revenue. The most significant is the Cayman Islands Monetary Authority (CIMA), which billed \$24.6 million of revenue (representing 24% of total revenue from Government for the year). NRA is the second-highest, at \$23.2 million (23%) and CAL is the third highest, at \$18.5 million (21%) (although this is a budget figure), followed by HSA at \$15.4 million (19%). The remaining SAGCs collectively account for \$19.5 million (19%).

**Exhibit 16: SAGCs billers of output revenue, 2021**

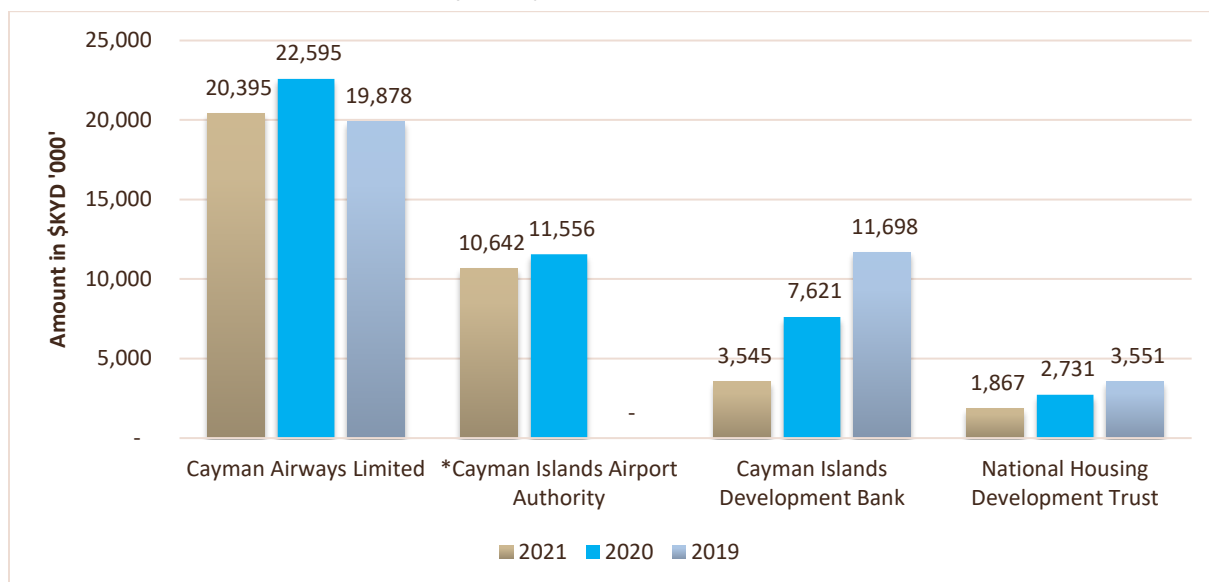


**NON-CURRENT DEBTS/LOANS**

136. SAGCs’ total non-current debts and loans decreased from \$32.9 million at 31 December 2019 to \$29.2 million at 31 December 2021, a decrease of \$7.7 million (9%). Exhibit 17 shows that this debt was held by four SAGCs: CAL, CIAA, CIDB and the National Housing Development Trust (NHDT). The Government provides the guarantee for this debt.



**Exhibit 17: SAGCs' non-current debts/loans, 2019–2021**



Notes: \*Budget amount used as the 2021, 2020 (CIAA only) and 2019 (CIAA only) audits are ongoing.

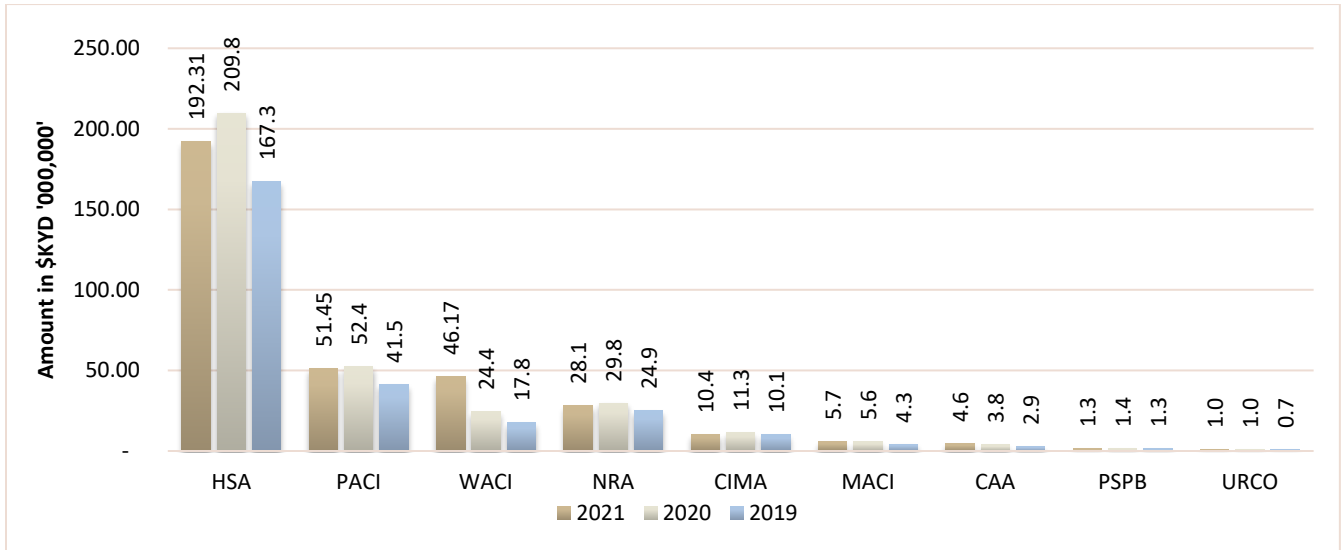
#### POST-RETIREMENT HEALTHCARE OBLIGATIONS

137. During the 2016–17 fiscal period, the Ministry of Finance decided that all SAGCs with employees deemed eligible to receive post-retirement healthcare benefits should reflect this obligation in their financial statements. Employees of SAGCs had to meet certain conditions to qualify for these benefits. They had to have been previously employed with central government and been transferred to a SAGC, worked no less than 10 years in public service, and retired from public service.

138. The total post-retirement healthcare obligation for audited SAGCs increased by 0.5% from \$339.4 million in 2020 to \$341.0 million in 2021. This increase was primarily attributed to the actuarial valuations received for 2021. These figures exclude CIAA as its audits for 2020, 2019 and 2018 are ongoing.

139. Exhibit 18 shows the obligations for the eight SAGCs with eligible employees based on actuarial valuations that were recorded in 2021, 2020 and 2019.

**Exhibit 18: SAGCs' post-retirement healthcare obligations, 2019–2021**

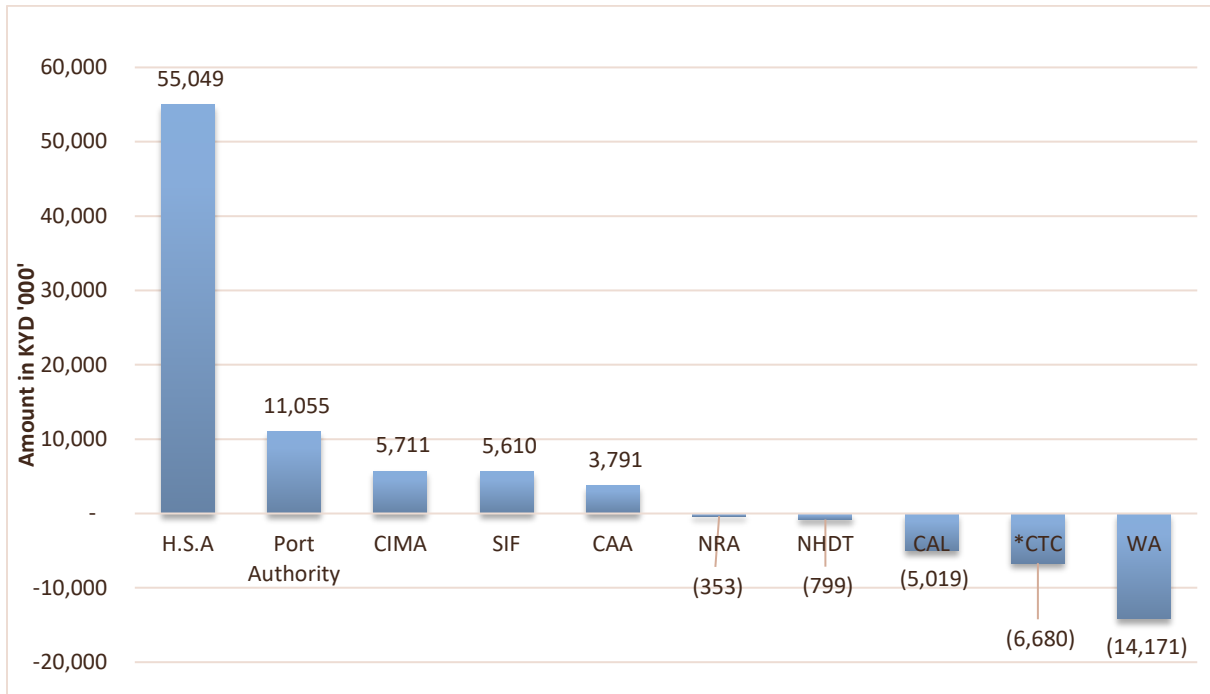


*Note: The CIAA has not been included in the exhibit because its 2020, 2019 and 2018 audits are ongoing.*

**FINANCIAL PERFORMANCE**

140. As reported earlier, the financial performance of the SAGCs presents a mixed picture, with 18 of the 26 SAGCs recording surpluses, seven reporting deficits and one breaking even. Exhibit 19 shows the five SAGCs that had the largest surpluses and the five SAGCs that had the largest deficits for the 2021 financial year. The exhibit shows that the HSA had the largest surplus, at \$55.0 million. By comparison, WACI has the largest deficit, at \$14.2 million, primarily because of the expenses from remeasuring its post-retirement benefit obligations.

**Exhibit 19: SAGCs with the five biggest surpluses and five biggest deficits**



Notes: \*Budget amounts have been used for the CTC as this audit is ongoing.

## APPENDIX D – FINANCIAL ANALYSIS – MINISTRIES, PORTFOLIOS AND OFFICES

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141. Exhibit 20 provides the results reported by each ministry, portfolio and office for the five years from 2016–17 to 2021. Exhibit 21 details the reported expenditure, and Exhibit 22 shows the split between outputs and revenue from other sources over the same five-year period for each ministry, portfolio and office. For those entities whose audits are ongoing, we have used budget numbers or numbers obtained from financial statements submitted for audit. It is important to note that 2016–17 was an 18-month financial period; as such, it is not directly comparable to the other, 12-month, fiscal years. In addition, the reorganisation of ministries in 2021 after the election means that the composition of ministries is not comparable for all of the years presented.

**Exhibit 20: Surplus/(deficit) by ministry, portfolio and office, 2016–17 to 2021**

Core government entity	2016–17	2018	2019	2020	2021
Cabinet Office	1,100,000	517,000	309,000	203,000	984,000
Director of Public Prosecutions	418,000	76,000	232,000	466,000	226,000
Judicial Administration	596,000	102,000	24,000	233,000	231,000
Ministry of Community Affairs	2,398,000	280,000	178,000	(1,692,000)	137,000
Ministry of Planning, Agriculture, Housing and Infrastructure	1,230,000	(239,000)	(169,000)	160,000	(1,802,000)
Ministry of Tourism and Transport	1,693,000	1,583,000	895,000	908,000	2,015,000
Ministry of Finance and Economic Development	5,185,000	3,837,000	308,000	3,000	-
Ministry of Education	(5,346,000)	715,000	667,000	696,000	7,390,000
Ministry of Border Control and Labour	595,000	10,697,000	7,983,000	3,227,000	643,000
Ministry of Financial Services and Home Affairs	1,265,000	2,066,000	554,000	2,769,000	2,581,000
Ministry of Health, Environment, Culture and Housing	4,580,000	1,969,226	304,000	422,000	395,000-
Ministry of International Trade, Investments, Aviation and Maritime Affairs	-	-	495,000	1,659,000	39,000
Office of the Ombudsman	417,000	93,000	17,000	109,000	112,000
Portfolio of the Civil Service	1,179,000	1,385,000	953,000	2,179,000	2,023,000
Portfolio of Legal Affairs	1,600,000	305,000	524,000	2,337,000	1,834,000
Office of the Commissioner of Police	-	-	-	(137,000)	(394,000)
Ministry of District Administration and Lands	-	-	-	-	178,000
Cayman Islands Parliament	-	-	-	-	249,000
Ministry of Financial Services and Commerce	-	-	-	-	-
Ministry of Health and Wellness	-	-	-	-	395,000
Ministry of Investments, Innovation and Social Development	-	-	-	-	(149,000)
Ministry of Sustainability and Climate Resiliency	-	-	-	-	513,000
Ministry of Youth, Sports, Culture and Heritage	-	-	-	-	44,000
Ministry of Home Affairs	-	-	-	-	1,548,000

**Notes:**

1. The Ministry of International Trade, Investment, Maritime and Aviation was established in 2019.
2. The Office of the Commissioner of Police was established in 2020.
3. The MHW audits for 2021, 2020, 2019, 2018 and 2016-17 are ongoing, so amounts are from the budget.
4. The Ministry of Home Affairs, Cayman Islands Parliament, Ministry of Investment, Innovation and Social Development, Ministry of Sustainability and Climate Resiliency and the Ministry of Youth, Sports, Culture and Heritage were established after the general election on 1 July 2021.
5. The Ministry of Financial Services and Home Affairs was re-organised on 1 July 2021 to form the Ministry of Home Affairs and the Ministry of Financial Services and Commerce.

**Exhibit 21: Expenses by ministry, portfolio and office, 2016–17 to 2021**

Entity	2016–17	2018	2019	2020	2021
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Cabinet Office	12,216	8,906	9,420	9,819	10,991
Director of Public Prosecution	4,330	3,242	3,760	3,888	4,186
Information Commissioners Office	647	N/A	N/A	N/A	N/A
Judicial Administration	9,196	6,798	7,912	8,520	10,158
Ministry of Commerce, Planning and Infrastructure	59,762	38,335	43,640	44,825	48,789
Ministry of Community Affairs	24,972	12,861	13,757	15,097	7,904
Ministry of Tourism and Transport	46,039	33,477	35,688	29,239	26,980
Ministry of Education	133,309	102,200	112,165	116,061	113,722
Ministry of Border Control and Labour	120,976	58,868	81,753	40,382	45,976
Ministry of Finance and Economic Development	31,092	26,579	15,698	14,633	17,271
Ministry of Financial Services and Home Affairs	34,625	45,798	52,175	55,483	63,526
Ministry of Health, Environment, Culture and Housing	240,494	28,744	35,707	42,346	44,859
Ministry of International Trade, Investments, Aviation and Maritime Affairs	N/A	N/A	1,683	2,034	2,729
Office of the Complaints Commissioner	615	N/A	N/A	N/A	N/A
Office of the Ombudsman	384	1,476	1,726	2,170	2,167
Portfolio of Legal Affairs	9,860	6,576	7,213	7,246	8,031
Portfolio of the Civil Service	13,801	9,923	11,270	12,926	14,388
Office of the Commissioner of Police	N/A	N/A	N/A	48,057	51,820
Ministry of District Administration and Lands	N/A	N/A	N/A	N/A	8,768
Cayman Islands Parliament	N/A	N/A	N/A	N/A	1,979
Ministry of Financial Services and Commerce	N/A	N/A	N/A	N/A	-
Ministry of Health and Wellness	N/A	N/A	N/A	N/A	44,859
Ministry of Investments, Innovation and Social Development	N/A	N/A	N/A	N/A	17,139
Ministry of Sustainability and Climate Resiliency	N/A	N/A	N/A	N/A	4,856
Ministry of Youth, Sports, Culture and Heritage	N/A	N/A	N/A	N/A	3,303
Ministry of Home Affairs	N/A	N/A	N/A	N/A	50,296

*Notes:*

- 1. The Ministry of International Trade, Investment, Maritime and Aviation was established in 2019.*
- 2. The Office of the Commissioner of Police was established in 2020.*
- 3. The MHW audits for 2021, 2020, 2019, 2018 and 2016-17 are ongoing, so amounts are from the budget.*
- 4. The Ministry of Home Affairs, Cayman Islands Parliament, Ministry of Investment, Innovation and Social Development, Ministry of Sustainability and Climate Resilience and the Ministry Youth, Sports, Culture and Heritage were established after the general election on 1 July 2021.*

**Exhibit 22: Revenue type by ministry, portfolio and office, 2021**

Entity	Outputs to Cabinet	Other sources	Total revenue	% Revenue Cabinet funded
	(\$'000)	(\$'000)	(\$'000)	
Cabinet Office	10,437	1,534	11,971	87
Director of Public Prosecution	4,395	17	4,412	99
Judicial Administration	10,337	52	10,389	99
Ministry of Community Affairs	7,943	99	8,042	99
Ministry of Tourism and Transport	28,663	332	28,995	99
Ministry of Education	117,310	3,802	121,112	97
Ministry of Finance and Economic Development	14,944	2,327	17,271	87
**Ministry of Financial Services and Home Affairs	30,528	1,260	31,788	96
*Ministry of Health, Environment, Culture and Housing	40,865	4,390	45,255	90
Ministry of Border Control and Labour	32,754	13,865	46,619	70
Ministry of International Trade, Investments, Aviation and Maritime Affairs	2,768	-	2,768	100
Ministry of Planning, Agriculture, Housing and Infrastructure	38,788	8,199	46,985	83
Office of the Ombudsman	2,279	-	2,279	100
Portfolio of the Civil Service	14,398	2,025	16,423	88
Portfolio of Legal Affairs	9,032	833	9,865	92
Office of the Commissioner of Police	50,109	1,317	51,426	97
**Ministry of Financial Services and Commerce	13,792	3,038	16,830	82
Ministry of District Administration and Lands	8,072	874	8,946	90
Ministry of Health	38,461	6,693	45,154	85
Ministry of Youth, Sports, Culture and Heritage	3,333	14	3,347	99
Ministry of Home Affairs	25,770	80	25,850	99
**Ministry of Investments, Innovation and Social Development	17,737	99	17,836	99
Ministry of Sustainability and Climate Resiliency	5,248	120	5,368	98
Cayman Islands Parliament	2,228	-	2,228	100
<b>Total</b>	<b>477,938</b>	<b>41,239</b>	<b>519,177</b>	<b>92</b>

**Notes:**

1. \*The MHW audits for 2021, 2020 2019, 2018 and 2016–17 are ongoing, so amounts are from the budget.
2. \*\*The 2021 audits for the MFSHA, the MFSC and the MIISD are ongoing, so amounts obtained from the draft financial statements have been used.

## APPENDIX E – FINANCIAL ANALYSIS – SAGCS

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### STATEMENT OF FINANCIAL PERFORMANCE – SAGCS

142. Exhibits 23 to 25 present details of each SAGC's reported results for the five-year period from 2016–17 to 2021. It should be noted that 2016–17 was an 18-month period and so it is not directly comparable with the other, 12-month, fiscal years.



**Exhibit 23: Net profit/(loss) or surplus/(deficit) by SAGC, 2016–17 to 2021**

SAGC	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
Auditors Oversight Authority	46,023	33,220	(17,106)	55,576	-
Cayman Airways Limited	(12,785,809)	(13,872,757)	(7,797,858)	(552,685)	(5,019,266)
*Cayman Islands Airport Authority	13,863,144	6,483,373	3,403,034	704,410	1,625,056
Cayman Islands Development Bank	(717,454)	(432,821)	263,362	283,035	166,054
Cayman Islands Monetary Authority	10,128,000	8,358,000	5,830,000	3,752,000	5,711,000
Cayman Islands National Museum	128,405	78,931	5,710	43,324	1,301
Cayman National Cultural Foundation	(230,371)	(89,820)	(202,683)	3,130,084	(130,981)
Cayman Islands Stock Exchange	948,841	907,795	1,214,280	2,125,678	2,473,6429
*Cayman Turtle Conservation and Education Centre Limited	(11,140,740)	(7,469,592)	(6,869,768)	(6,705,214)	(6,680,2025)
Children and Youth Services Foundation	(134,215)	(493,340)	138,722	288,677	148,040
Cayman Islands National Insurance Company	(5,311,834)	(6,992,990)	(258,939)	10,547,859	1,437,310
Civil Aviation Authority	5,950,133	3,745,109	2,544,142	1,203,822	3,791,150
**Electricity Regulatory Authority	36,090	-	-	-	-
Health Services Authority	11,438,026	27,410,472	(23,007,023)	(34,010,270)	55,049,275
**Information and Communications Technology Authority	(27,574)	-	-	-	-
Maritime Authority	718,543	1,795,595	1,808,774	306,918	169,574
National Drug Council	34,003	(17,364)	32,626	108,042	108,374
National Gallery of the Cayman Islands	103,091	(39,965)	(98,190)	3,178,837	4,641
National Housing Development Trust	(1,765,000)	(1,397,000)	(1,326,000)	(1,107,000)	(799,000)
National Roads Authority	(3,014,662)	(734,682)	1,334,751	(1,472,602)	(353,116)
Port Authority of the Cayman Islands	533,242	6,069,929	(3,386,707)	(11,962,936)	11,055,068
Public Service Pensions Board	(4,748)	(3,306)	(3,513)	(3,944)	(4,095)
Segregated Insurance Fund of the Cayman Islands	7,493,100	5,348,160	5,666,100	5,442,492	5,609,740
Sister Islands Affordable Housing Development Corporation	(7,000)	(151,000)	(25,000)	-	22,000
Tourism Attraction Board	237,241	243,596	166,741	(142,139)	212,305
University College of the Cayman Islands	153,010	(519,954)	(355,048)	330,738	2,278
Utility Regulation and Competition Office	(1,446,088)	135,659	329,961	716,665	1,137,056
Water Authority of the Cayman Islands	(1,812,581)	8,370,271	2,338,734	623,096	(14,171,445)

**Notes:**

1. \*Budget amounts have been used for 2021 for the CIAA and the CT. For the CIAA, the 2020, 2019 and 2018 are also budget amounts.
2. \*\*The Electricity Regulatory Authority and Information and Communications Technology Authority were merged to create the Utility Regulation and Competition Office in 2016–17.

## Exhibit 24: Expenses by SAGC, 2016–17 to 2021

SAGC	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
Auditors Oversight Authority	432,477	309,411	335,606	292,349	291,920
Cayman Airways Limited	137,441,279	98,068,320	100,563,880	73,114,877	62,051,980
*Cayman Islands Airport Authority	41,096,149	29,364,167	28,422,224	33,007,240	32,715,643
Cayman Islands Development Bank	3,937,915	2,950,905	2,470,424	2,179,492	2,199,678
Cayman Islands Monetary Authority	36,710,000	28,199,000	30,624,000	36,022,000	40,623,000
Cayman Islands National Museum	1,381,861	938,212	1,058,551	936,873	923,784
Cayman National Cultural Foundation	1,531,270	964,869	1,154,952	1,242,030	1,514,725
Cayman Islands Stock Exchange Ltd	2,134,265	1,857,762	1,951,379	1,805,452	2,124,322
*Cayman Turtle Conservation and Education Centre Limited	21,709,329	13,289,931	13,710,305	16,318,780	16,320,7272
Children and Youth Services Foundation	4,260,487	3,276,507	3,046,046	2,925,576	3,126,507
Cayman Islands National Insurance Company	109,667,029	86,981,896	95,995,783	91,508,898	111,526,865
Civil Aviation Authority	6,385,079	4,740,502	5,037,049	4,980,646	5,064,843
**Electricity Regulatory Authority	375,968	-	-	-	-
Health Services Authority	169,391,394	119,284,265	128,227,568	144,214,372	161,011,245
**Information and Communications Technology Authority	1,478,437	-	-	-	-
Maritime Authority of the Cayman Islands	14,746,146	9,502,391	9,383,939	16,318,780	10,469,857
National Drug Council	963,852	678,931	657,022	595,430	613,424
National Gallery of the Cayman Islands	1,739,857	1,136,240	1,334,627	1,206,338	1,112,839
National Housing Development Trust	3,764,000	3,627,000	1,892,000	1,831,000	1,607,000
National Roads Authority	26,244,604	16,522,516	19,619,158	22,229,639	10,850,259
Public Service Pensions Board	4,844,000	3,497,000	3,697,000	4,203,000	4,403,000
Port Authority of the Cayman Islands	33,970,348	18,484,995	29,956,112	33,816,085	20,897,508
Segregated Insurance Fund of the Cayman Islands	9,000	9,000	9,000	9,000	8,000
Sister Islands Affordable Housing Development Corporation	315,000	588,000	88,000	40,000	46,000
Tourism Attraction Board	4,587,526	3,097,261	3,488,460	2,514,528	2,597,5309
University College of the Cayman Islands	11,368,057	8,168,057	9,777,734	10,612,004	10,909,679
Utility Regulation and Competition Office	4,476,385	4,801,450	4,403,564	4,624,837	4,646,030
Water Authority of the Cayman Islands	47,402,354	29,376,340	27,703,895	29,041,710	21,035,323

### Notes:

1. \*Budget amounts have been used for 2021 for the CIAA and the CTC. For the CIAA, 2020, 2019 and 2018 are also budget amounts.
2. \*\*The Electricity Regulatory Authority and Information and Communications Technology Authority were merged to create the Utility Regulation and Competition Office in 2016–17.

**Exhibit 25: Output revenue from government sources by SAGC, 2016–17 to 2021**

<b>SAGC</b>	<b>31-Dec-17</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>
Auditors Oversight Authority	472,500	315,000	315,000	335,000	285,845
Cayman Airways Limited	26,459,010	23,231,857	23,180,048	43,334,118	28,472,690
*Cayman Islands Airport Authority	-	-	-	-	-
Cayman Islands Development Bank	850,153	1,026,347	566,768	566,768	566,768
Cayman Islands Monetary Authority	20,750,000	16,333,000	18,439,000	22,648,000	24,641,000
Cayman Islands National Museum	1,231,200	821,000	855,000	855,000	855,000
Cayman National Cultural Foundation	943,350	660,000	760,000	1,088,800	1,088,801
Cayman Islands Stock Exchange Ltd.	-	-	-	-	-
*Cayman Turtle Conservation and Education Centre Limited	-	-	-	-	-
Children and Youth Services Foundation	3,617,000	2,683,000	3,100,000	3,100,000	3,100,000
Cayman Islands National Insurance Company	-	-	-	-	-
Civil Aviation Authority	-	-	-	-	-
Electricity Regulatory Authority	21,667	-	-	-	-
Health Services Authority	19,884,435	10,682,190	14,394,290	16,200,689	15,417,290
Information and Communications Technology Authority	176,307	-	-	-	-
*Maritime Authority of the Cayman Islands	539,145	413,578	343,396	674,528	674,528
National Drug Council	955,000	644,781	668,605	689,355	689,355
National Gallery of the Cayman Islands	703,775	586,000	586,000	736,000	736,000
National Housing Development Trust	871,000	581,000	581,000	675,000	675,000
National Roads Authority	7,506,994	5,285,730	10,583,525	10,512,419	23,236,4443
Port Authority of the Cayman Islands	-	-	-	-	-
Public Service Pensions Board	-	-	-	-	-
Segregated Insurance Fund of the Cayman Islands	-	-	-	-	-
Sister Islands Affordable Housing Development Corporation	108,000	75,000	56,000	39,000	45,000
Tourism Attractions Board	2,928,021	2,000,000	2,000,000	1,760,000	2,200,000
University College of the Cayman Islands	6,315,449	4,315,529	5,528,940	7,057,482	6,919,100
Utility Regulation and Competition Office	698,487	1,625,309	1,238,476	1,628,183	1,714,329
Water Authority of the Cayman Islands	472,500	-	-	-	-

*Notes:*

- \*Budget amounts have been used for 2021 for the CIAA and the CTC. For the CIAA, 2020, 2019 and 2018 are also budget amounts.*
- \*\*The Electricity Regulatory Authority and Information Communication Technology Authority were merged to create the Utility Regulation and Competition Office in 2016–17.*

## APPENDIX F – INTERNAL CONTROL DEFICIENCIES

Internal control deficiency	Public body														
	AOA	CAA	CIDB	CNCF	MBCL	MOE	MUS	OCP	NRA	PACI	PARL	PoCS	SIAHDC	CINICO	TAB
Loyalty allowance not appropriately authorised											√				
Revenue recognition: lack of reliable estimate on the percentage of completion based on the 2021 objectives	√														
Lack of support for service-level agreements		√													
High deficiency rate of delinquent loans			√												
Inadequate collateral assets monitoring			√												
Current portfolio mix is not at a recommended level			√												
Infrequent governance meetings based on the <i>Public Authorities Act, 2020 Revision</i>			√												
Long outstanding debt owed to Government for insurance premiums				√											
Lack of an inventory valuation schedule				√											
Non-compliance with the <i>Public Authorities Act, 2020 Revision</i> , section 48(4)				√											

Internal control deficiency	Public body														
	AOA	CAA	CIDB	CNCF	MBCL	MOE	MUS	OCP	NRA	PACI	PARL	PoCS	SIAHDC	CINICO	TAB
Non-compliance with the <i>Public Authorities Act, 2020 Revision</i> – lack of standardised salaries and benefits									√						
No public–private partnership (PPP) agreement approved by Cabinet for funds received									√						
Tracking of outputs produced/budgeting and billing of output revenue								√							
Lack of framework governing road construction services revenue									√						
Management of annual leave/long outstanding leave balances															
No formal IT strategic plan					√										
Non-compliance with section 39(3) of the <i>Public Management Finance Act</i> (PMFA) in relation to the repayment of surplus					√										
Lack of employee leave management and succession planning					√										
Supplementary appropriations not approved by Parliament						√									
No tendering for significant contract						√									
Non-compliance with <i>Port Authority Act</i>										√					
Incorrect rate applied for the calculation of cargo dues										√					

Internal control deficiency	Public body														
	AOA	CAA	CIDB	CNCF	MBCL	MOE	MUS	OCP	NRA	PACI	PARL	PoCS	SIAHDC	CINICO	TAB
Non-compliance with the <i>Public Authorities Act, 2020 Revision</i> : operating with a deficit and negative net asset position									√						
No budget maintained for Children’s Botanical Garden															√
Non-compliance with the requirements of IAS 16 – property, plant and equipment										√					
Non-clearing of cash accounts at year-end										√					
Lack of consistency for the lease agreements of certain tenants										√					
Purchase orders not being cleared/adjusted												√			
No board meetings held during the year													√		
Value for money/no house sales during the year													√		
Delayed output revenue billings													√		
Bank signatories not updated													√		
No evidence of a final review of planned documents														√	
Lack of an accession register physical verification							√								
Inventory records not updated on a regular basis							√								
No budget in place of the disposals of PPE								√							

Internal control deficiency	Public body														
	AOA	CAA	CIDB	CNCF	MBCL	MOE	MUS	OCP	NRA	PACI	PARL	PoCS	SIAHDC	CINICO	TAB
No formal policies or procedures for use of contingency reserves							√								
Non-compliance with the <i>Public Authorities Act, 2020 Revision</i> – insufficient number of board meetings							√								

## APPENDIX G – LIST OF PUBLIC BODIES

Number	Public body	Auditor	Abbreviation
1	Auditors Oversight Authority	OAG	AOA
2	Cabinet Office	OAG	CO
3	Cayman Airways Limited	KPMG	CAL
4	Cayman Islands Airports Authority	OAG	CIAA
5	Cayman Islands Development Bank	OAG	CIDB
6	Cayman Islands Monetary Authority	OAG	CIMA
7	Cayman Islands National Insurance Company	KPMG	CINICO
8	Cayman Islands National Museum	OAG	CINM
9	Cayman Islands Parliament	OAG	CIP
10	Cayman Islands Stock Exchange Ltd	PwC Cayman	CISX
11	Cayman National Cultural Foundation	OAG	CNCF
12	Cayman Turtle Conservation and Education Centre Limited	Grant Thornton Cayman Islands	CTC
13	Children and Youth Services Foundation	KPMG	CAYS
14	Civil Aviation Authority	KPMG	CAA
15	Entire Public Sector	OAG	EPS
16	Health Services Authority	OAG	HSA
17	Judicial Administration	KPMG	JA
18	Maritime Authority of the Cayman Islands	Grant Thornton Cayman Islands	MACI
19	Ministry of Border Control and Labour	OAG	MBC
20	Ministry of Community Affairs	OAG	MCA
21	Ministry of District Administration and Lands	OAG	MDATT
22	Ministry of Education	OAG	MEYSAL
23	Ministry of Finance and Economic Development	OAG	MFED
24	Ministry of Financial Services and Commerce	OAG	MFSC
25	Ministry of Financial Services and Home Affairs	OAG	MFSHA
26	Ministry of Health and Wellness	OAG	MHW
27	Ministry of Home Affairs	OAG	MHA
28	Ministry of International Trade, Investments, Aviation and Maritime Affairs	OAG	MITIAMA
29	Ministry of Investments, Innovation and Social Development	OAG	MIISD
30	Ministry of Planning, Agriculture, Housing and Infrastructure	OAG	MCPI
31	Ministry of Sustainability and Climate Resiliency	OAG	MSCR
32	Ministry of Tourism and Transport	OAG	MTT
33	Ministry of Youth, Sports, Culture and Heritage	OAG	MYSCH



<b>34</b>	National Drug Council	KPMG	NDC
<b>35</b>	National Gallery of the Cayman Islands	Eisner Amper Cayman Ltd	NGCI
<b>36</b>	National Housing and Development Trust	OAG	NHDT
<b>37</b>	National Roads Authority	OAG	NRA
<b>38</b>	Office of the Auditor General	Baker Tilly Cayman	OAG
<b>39</b>	Office of the Commissioner of Police	OAG	OCP
<b>40</b>	Office of the Director of Public Prosecutions	KPMG	DPP
<b>41</b>	Office of the Ombudsman	KPMG	OMB
<b>42</b>	Port Authority of the Cayman Islands	OAG	PACI
<b>43</b>	Portfolio of Legal Affairs	KPMG	PLA
<b>44</b>	Portfolio of the Civil Service	OAG	PoCS
<b>45</b>	Public Service Pensions Board	OAG	PSPB
<b>46</b>	Segregated Insurance Fund	OAG	SIF
<b>47</b>	Sister Islands Affordable Housing Development Corporation	OAG	SIAHDC
<b>48</b>	Tourism Attractions Board	OAG	TAB
<b>49</b>	University College of the Cayman Islands	KPMG	UCCI
<b>50</b>	Utility Regulation and Competition Office	OAG	URCO
<b>51</b>	Water Authority of the Cayman Islands	KPMG	WACI



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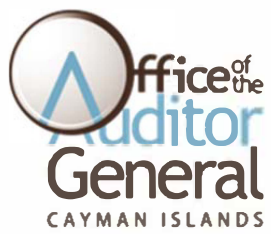
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