

FINANCIAL REPORTING OF THE CAYMAN ISLANDS
GOVERNMENT



NOVEMBER 2024



**To help the public
service spend wisely**

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GLOSSARY

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

Entire public sector (EPS)	The core government and all statutory authorities and government companies (SAGCs).
Executive transactions	Financial transactions under the direct legal responsibility of Ministers, being administered by core government entities on their behalf (in contrast with 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 related financing expenses). Examples of executive assets are infrastructure, heritage assets, and other assets generally for the welfare of the entire country, in contrast with 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.
Other Matter paragraph	A paragraph in the auditor's report referring to a matter other than those presented or disclosed in the financial statements that, in the auditor's judgment, is relevant to users' understanding of the audit, the auditor's responsibilities, or the auditor's report.
Public bodies	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.
Statutory Authorities and Government Companies (SAGCs)	Any one of the entities owned by the Government that are 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>). At the same time, 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

AOA - Auditors Oversight Authority	MFED - Ministry of Finance and Economic Development
CAA - Civil Aviation Authority	MFSC - Ministry of Financial Services and Commerce
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	MPAHITD - Ministry of Planning, Agriculture, Housing, Infrastructure, Transport and Development
CIG - Cayman Islands Government	MSCR - Ministry of Sustainability and Climate Resiliency
CIMA - Cayman Islands Monetary Authority	MTP - Ministry of Tourism and Ports
CINAA – Cayman Islands National Attractions Authority	MYSCH - Ministry of Youth, Sports, Culture and Heritage
CINICO - Cayman Islands National Insurance Company	NDC - National Drug Council
CINM - Cayman Islands National Museum	NGCI - National Gallery of the Cayman Islands
CIP - Cayman Islands Parliament	NHDT - National Housing Development Trust
CISX - Cayman Islands Stock Exchange Ltd.	NRA - National Roads Authority
CNCF - Cayman National Cultural Foundation	OAG - Office of the Auditor General
CO - Cabinet Office	OCP - Office of the Commissioner of Police
CTC - Cayman Turtle Conservation and Education Centre Limited	OMB - Office of the Ombudsman
DPP - Office of the Director of Public Prosecutions	PAA – Public Authorities Act (2020 Revision)
EPS - Entire Public Sector	PACI - Port Authority of the Cayman Islands
HSA - Health Services Authority	PLA - Portfolio of Legal Affairs
IAS - International Accounting Standards	PMFA – Public Management and Finance Act (2020 Revision).
IASB - International Accounting Standard Board Interpretations Committee	PoCS - Portfolio of the Civil Service
IFRS - International Financial Reporting Standards	PSPB - Public Service Pensions Board
IPSAS - International Public Sector Accounting Standards	SIAHDC - Sister Islands Affordable Housing Development Corporation
JA - Judicial Administration	SIF - Segregated Insurance Fund
MACI - Maritime Authority of the Cayman Islands	UCCI - University College of the Cayman Islands
MBCL - Ministry of Border Control and Labour	URCO - Utilities Regulation and Competition Office
MDAL - Ministry of District Administration and Lands	WACI - Water Authority of the Cayman Islands
MOE - Ministry of Education	

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EXECUTIVE SUMMARY

The *Public Management Finance Act, 2020 Revision* (PMFA) requires me to present to Parliament the results of all audits conducted and any significant matters I would like to bring to its attention. This report does that.

This report provides a position statement as at 30 September 2024. As at that date, 39 out of 46 of the 2023 public bodies' financial audits were complete.¹ I am delighted that all audits completed received unqualified audit opinions. However, some audit opinions have “emphasis of matter” or “other matter paragraphs”.

It is worth noting that the 2021, 2022, and 2023 audits of the consolidated Entire Public Sector (EPS) account are still ongoing. The EPS account includes the consolidation of the 21 Ministries, Portfolios and Offices (including the Office of the Auditor General), 26 Statutory Authorities and Government Companies (SAGCs). It also includes ‘Executive Transactions’ such as transfer payments, coercive revenues, executive expenditure, assets, and liabilities of the Government. For the financial periods 2016–17 to 2020, the government's EPS account received an adverse opinion due to numerous accounting issues. This report does not cover the EPS account in detail but includes a summary of the most significant issues identified in the most recent audit for 2021, which my Office is finalising. An adverse opinion will be issued for 2021.

In this report, I describe the status of audits and financial reporting the Cayman Islands public sector over recent years and suggest improvements. Furthermore, the report provides appendices showing the status of audits for the five years from 2019 to 2023, including my audit opinions (Appendix C). This report includes appendices that are rich in information about the 2023 financial performance of the individual SAGCs (Appendix A) and Ministries, Portfolios and Offices (Appendix B). Appendix D contains internal control deficiencies, and Appendix E provides a summary of new and revised accounting standards for 2023 and future periods.

Of the 39 completed audits for 2023, 18 are for core government entities and 21 for SAGCs. The financial results reported by SAGCs continue to present a mixed picture. Of the 21 completed SAGC audits, 12 recorded surpluses, two broke even and seven made deficits. Three SAGCs recorded the most significant surpluses (more than \$5 million): the Cayman Islands Monetary Authority (CIMA), the Cayman Islands National Insurance Company (CINICO), and the Segregated Insurance Fund (SIF). The surpluses for CIMA, CINICO and SIF are mainly from operational activities. Of the seven SAGCs reporting deficits, HSA recorded

¹ All figures reported in this report exclude the Office of the Auditor General (OAG). The OAG's financial statements for 2023 were submitted and audited by the 30 April 2024 statutory deadline and received an unqualified audit opinion. The OAG's Annual Report for 2023 was tabled in the Parliament before 30 September 2024 (the cut-off date for this report).

the most significant deficit of \$82.9 million. The deficit was mainly because of the re-measurement of the post-retirement pension and healthcare liabilities, which resulted in a loss of \$75.8 million. HSA also made a deficit of \$7.1 million in its operations.

The financial results of the 18 completed 2023 core government audits show that 11 Ministries, Portfolios and Offices recorded a surplus, six broke even, and one recorded a deficit. The Ministry of Home Affairs (MHA) recorded a deficit of \$1.3 million for the 2023 financial year. This was mainly due to a higher-than-anticipated depreciation charge of \$1.3 million based on the revaluation that was done in 2021.

Appendix A demonstrates that a considerable proportion of SAGCs continue to show signs of being under financial strain. As noted in my previous General Reports, this will likely continue to be the case in most instances without changes in operations, business restructuring, or ongoing and further government support or changes in government policy. Appendix A shows that Cayman Airways Limited (CAL), the Cayman Turtle Centre (CTC), the National Housing Development Trust (NHDT), and the Public Service Pensions Board (PSPB) consistently recorded year-on-year deficits.

I also provide details on the key audit matters for 2023. For example, although the results of public bodies' audits are all unqualified opinions, I have concerns about the quality of the submitted financial statements. During the audits, a significant number of adjustments were identified, and additional disclosures needed to be made. I also noted a high number of incidences of non-compliance with Acts and regulations, particularly in relation to the *Procurement Act (2023 Revision)* and the *Public Authorities Act (2020 Revision) (PAA)*. In addition, the report explains matters raised through the 'emphasis of matter' and 'other matter' paragraphs on the audit opinions.

Public bodies are now routinely preparing annual reports to accompany their financial statements. I continue to urge Members of Parliament (MPs) and the public to read these to get a fuller and deeper understanding of government business. The laying of annual reports in Parliament has remained steady over the last four years. By 30 September 2024, 22 out of 39 annual reports for the 2023 financial year have been tabled. This is an improvement on 2022, when only 19 of the 43 completed audits had been laid in Parliament by 30 September 2023. However, more reports should have been ready to be tabled by this date.² I strongly urge all public bodies to present their annual reports and financial statements in Parliament on time and publish them on their websites as soon as possible. However, they can only meet this requirement if Parliament sits sufficiently frequently. I urge Parliament to either meet more frequently or find a mechanism that enables reports to be laid when the House is not sitting to ensure compliance with the law. Appendix C shows the dates when entity annual reports were tabled in Parliament.

² An additional five (5) annual reports for the 2023 financial year were tabled in Parliament during the month of October 2024.

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

INTRODUCTION

1. Section 61 of the *Public Management Finance Act, 2020 Revision* (PMFA) requires me to present to Parliament the results of all audits conducted and any significant matters I would like to bring to the attention of Parliament. The PMFA 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 Parliament and the residents of the Cayman Islands to hold the Government and individual public bodies accountable for their use of public money.
2. In 2023, there were 46 public bodies to audit, comprising 20 Ministries, Portfolios, Offices and 26 Statutory Authorities and Government Companies (SAGCs), and the consolidated financial statements of the Entire Public Sector (EPS).³
3. My Office performs 41 of these 47 financial audits in-house. Three private sector firms (Baker Tilly, Grant Thornton and KPMG) conduct the remaining six audits. These outsourced audits are subject to a final OAG quality review, my review, and sign-off.
4. Public bodies prepare and present annual reports to accompany their financial statements. Annual reports provide readers with data and analysis on the financial performance of public bodies during the respective financial periods.
5. As part of the audit process, I communicate with those persons charged with governance at the respective public bodies by issuing a Management Letter, also known as the International Standard on Auditing (ISA) 260 Report. This report includes significant and relevant internal control deficiencies and instances of non-compliance with acts, regulations, and policies.
6. For the core government entities these reports are presented to the respective Chief Officers. In addition, my Office presents these reports to the Government's Audit and Risk Assurance Committee (ARAC), which was established 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.
7. For SAGCs, the Board of Directors (Board) is charged with governance. The Cabinet appoints the board members to oversee the strategic direction, manage the performance of SAGCs, and provide a layer of accountability to Parliament. All SAGC Boards except the Utilities Regulation and Competition Office (URCO) include non-voting representatives from the Ministry under which the

³ The 46 public bodies exclude the Office of the Auditor General (OAG).

entity falls. Several SAGC boards also have representatives from the Ministry of Finance and Economic Development (MFED).

8. I am pleased to present this report to Parliament summarising the outcomes and status of my Office’s financial audits of public bodies for the year ending 31 December 2023.⁴ The report provides a position statement as at 30 September 2024, and includes:

- A summary of public bodies’ financial results in 2023.
- A summary of key audit matters that I want to highlight from the audits of the 2023 financial statements.
- An update on the status of audits and financial reporting as at 30 September 2024.

9. I want to thank the staff of all public bodies, especially the finance teams, for their efforts. It is commendable that all completed audits are unqualified, i.e. clean audit opinions, as detailed in Appendix E. I want to thank my team at the OAG and our contracted auditors at Baker Tilly, Grant Thornton, and KPMG for their commitment and efforts in supporting my Office.

⁴ At the time of this report, the 2023 audits of four public bodies and EPS had not been started due to on-going prior year audits.

FINANCIAL RESULTS IN 2023

10. This chapter provides an overview of the financial performance of public bodies in 2023. It includes information on key elements of financial performance and financial position. Financial performance reports the public body's revenues, expenses, including the surplus or deficit. Financial position reports a public body's assets, liabilities and equity as at a specific point in time i.e. 31 December 2023. For the purposes of this report, I comment on surpluses and deficits, revenue, debt, post-retirement healthcare liabilities and current assets and liabilities. I report on the financial performance of SAGCs and core government (Ministries, Portfolios and Offices) separately.
11. It was worth noting that financial performance should not be considered in isolation. It is essential to consider the related services' performance indicators and measures to determine the efficiency and effectiveness of the respective entities' operations. The ability to do this balanced assessment is currently lacking due to the suspension of provisions of the PMFA, which requires entities to report on their outputs. A comprehensive performance management reporting framework is currently needed to demonstrate whether 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 objectives.
12. I have used budget information or the latest information submitted for audit for the seven public bodies (five SAGCs and two ministries) where the audits are backlogged. This is to allow comparative analysis as their 2023 audits have not yet been completed. I discuss the status of the backlogged audits in **Status of audits and financial reporting**.⁵
13. Appendices A and B provide financial performance trend information for the five years 2019 to 2023 for SAGCs and core government entities respectively.

SAGCS' FINANCIAL PERFORMANCE

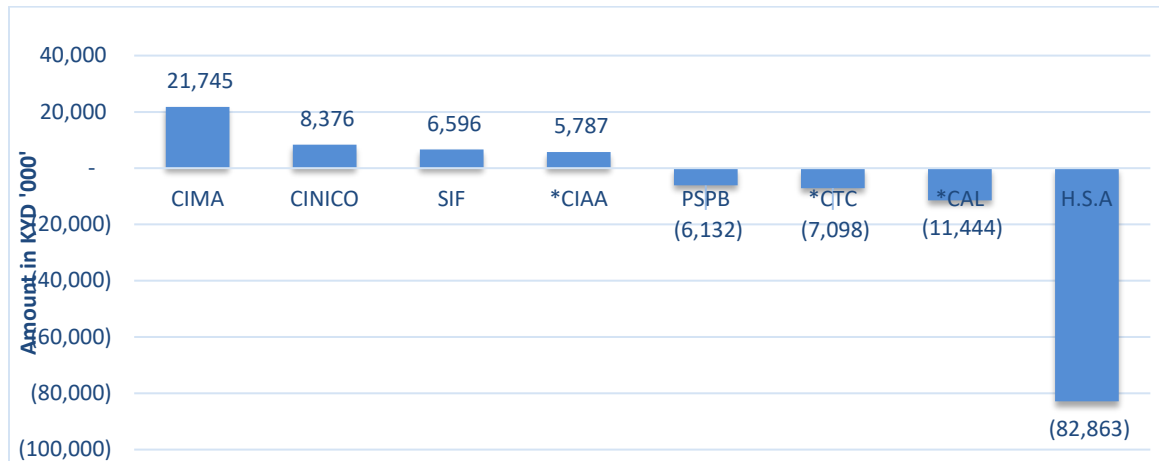
14. In this section I comment on some key aspects of SAGCs' financial performance for 2023. These include surpluses and deficits, sources of revenue, reliance on government revenues, debt levels and post-retirement healthcare obligations. Appendix A provides further detail of the financial performance trend of SAGCs for the five years 2019 to 2023.

⁵ The audits of seven public bodies for 2023 are not complete or started as at 30 September 2023.

15. The *Public Authorities Act* requires SAGCs to conduct their affairs in a responsible financial manner, operate as profitable efficient businesses, and contribute to the revenue of core government or, at least, breakeven in their operations.⁶ However, the financial performance of the SAGCs presents a mixed picture, with 14 of the 26 SAGCs recording surpluses, two breaking even and ten reporting deficits.
16. Of the 14 SAGCs reporting surpluses, most have done so consistently over the last five years. Five SAGCs – CIMA, Cayman Islands Stock Exchange (CISX), CINICO, the Civil Aviation Authority of the Cayman Islands (CAA) and SIF – have consistently made a surplus of over \$1 million dollars in each of the last five years.
17. Of the ten SAGCs reporting losses, four have reported losses in each of the last five years and three have reported deficits in at least three of the last five years. CAL, Cayman National Cultural Foundation (CNCF), NHDT and PSPB have made losses in the last five years. These losses were mainly from operational activities. This indicates that the financial health of these public bodies is not strong and that they may require additional support from the core government. For example, CAL receives income from its activities and output funding from the government. However, it consistently makes a loss.
18. Our analysis identified eight SAGCs with the most significant surpluses and deficits (i.e. over \$5 million) for the 2023 financial year. Exhibit 1 shows the four SAGCs with the most significant surpluses and the four SAGCs with the most significant deficits. The exhibit shows that the CIMA had the largest surplus at \$21.8 million. CIMA'S surplus is mainly driven by operating activities, i.e., output funding of \$33.5 million (51 per cent of its total revenue) and fees and charges of \$31.8 million (49 per cent). In contrast, HSA had the most significant deficit at \$82.9 million. HSA's deficit is primarily due to the expenses recognised for the re-measurement of the post-retirement benefit obligations. HSA also made a \$7 million deficit on operating activities. I included an Emphasis of Matter (EOM) paragraph to the audit opinion of the HSA because of this. I comment on the increase in SAGC's healthcare obligations later in this section.

⁶ *Public Authorities Act (2020 Revision)* Section 7 (2).

Exhibit 1: SAGCs with the top surplus and deficits, 2023



Source: Financial Statements for the respective public bodies.

Note: *Budget or draft financial statement amounts submitted for audit have been used where audited financial statements are unavailable. Deficits are shown in brackets.

REVENUE FROM GOVERNMENT

19. SAGCs receive revenue from two primary sources; the Government and fees and charges. SAGCs provide services to the public on behalf of the Government as agreed in their respective ownership and purchase agreements. The Government provides output funding for the delivery of these services. SAGCs also generate revenue from other sources, such as fees and charges directly to the public.
20. For 2023, SAGCs generated total revenues of \$708.9 million. This is made up of \$123.4 million for services (outputs) to the Government and \$585.5 million of revenues from other sources. Exhibit 2 provides the amount of revenue by source for each SAGC in 2023.

Exhibit 2: SAGC Revenues by Type, 2023

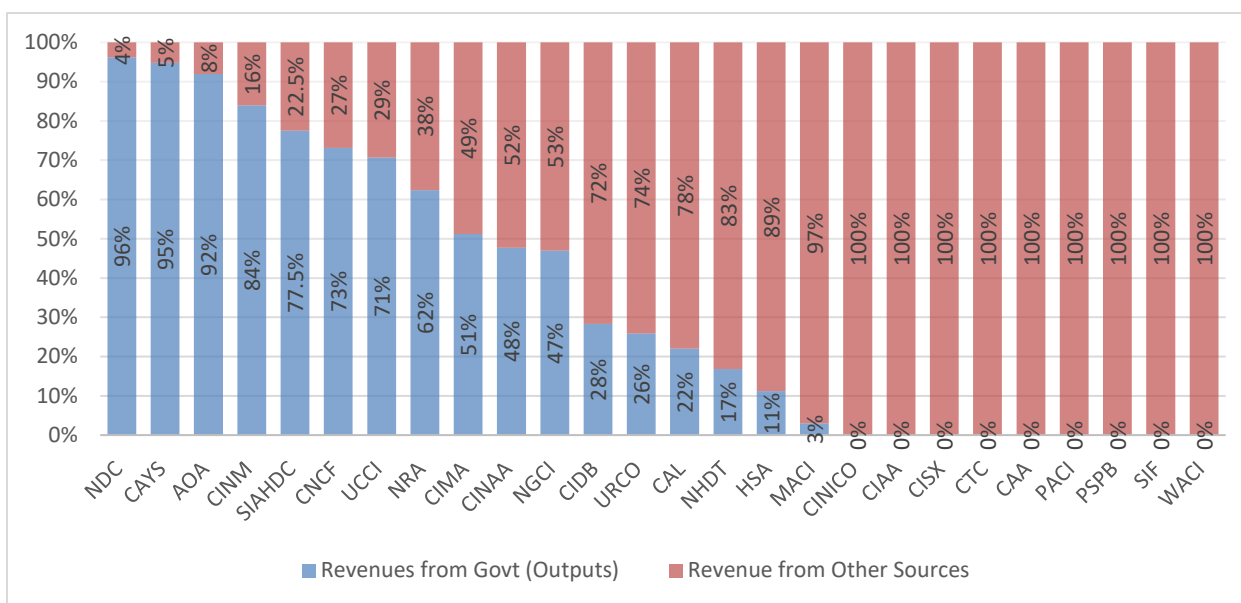
Entity	Revenues from Govt. (Outputs)		Revenue from Other Sources		Total Revenue
	\$	As percentage of Total Revenue	\$	As percentage of Total Revenue	
	\$	%	\$		\$
Health Services Authority	19,826,921	11	156,980,108	89	176,807,029
Cayman Islands National Insurance Company	-	-	140,901,011	100	140,901,011
Cayman Airways Limited*	23,259,564	22	81,652,005	78	104,911,569
Cayman Islands Monetary Authority	33,458,000	51	31,898,000	49	65,356,000
Water Authority of the Cayman Islands	-	-	40,138,936	100	40,138,936
Cayman Islands Airport Authority*	-	-	33,552,764	100	33,552,764
National Roads Authority	24,841,064	62	14,979,174	38	39,820,238
Port Authority of the Cayman Islands	-	-	27,583,836	100	27,583,836
University College of the Cayman Islands	10,052,558	71	4,169,217	29	14,221,775
Maritime Authority of the Cayman Islands*	332,633	3	10,865,688	97	11,198,321
Civil Aviation Authority	-	-	9,971,790	100	9,971,790
Segregated Insurance Fund of the Cayman Islands	-	-	6,603,830	100	6,603,830
Utility Regulation and Competition Office	1,680,367	26	4,814,238	74	6,494,605
Cayman Turtle Conservation and Education Center Limited*	-	-	7,941,080	100	7,941,080
Cayman Islands Stock Exchange	-	-	4,221,004	100	4,221,004
Children & Youth Services Foundation	3,100,000	95	171,445	5	3,271,455
Tourism Attractions Board	1,980,000	48	2,167,971	52	4,417,971
National Gallery of the Cayman Islands	750,000	47	846,453	53	1,596,453
Cayman National Cultural Foundation	1,210,250	73	444,505	27	1,654,755
Cayman Islands Development Bank	566,768	28	1,438,097	72	2,004,865
Cayman Islands National Museum	891,920	84	170,842	16	1,062,762
National Housing Development Trust*	675,000	17	3,339,000	83	4,014,000
National Drug Council	714,855	96	28,180	4	743,035
Auditors Oversight Authority	274,525	92	24,000	8	298,525
Public Service Pensions Board	-	-	63,000	100	63,000
Sister Islands Affordable Housing Development Corporation	31,000	78	9,000	22	40,000
Total	123,645,425	17	584,975,174	83	708,620,599

Source: Financial Statements for the respective public bodies.

Note: *Budget or draft financial statement amounts submitted for audit have been used where audited financial statements are unavailable.

21. Exhibit 3 shows the percentage of revenues SAGCs received from the Government and other sources for 2023. It shows that nine SAGCs do not receive any output funding from the Government, although some of them, e.g. CAL and CTC, receive government funding in the form of equity injections. However, nine out of 26 SAGCs rely on more than 50 per cent of government revenue. Three SAGCs (AOA, National Drug Council (NDC) and the Children and Youth Services Foundation (CAYS)) rely on government revenue for more than 90 per cent of their funding. Without this revenue, they would not be able to sustain their operations. It is important to note that there is no correlation between the level of government funding and the financial performance of public bodies i.e., surplus or deficit.

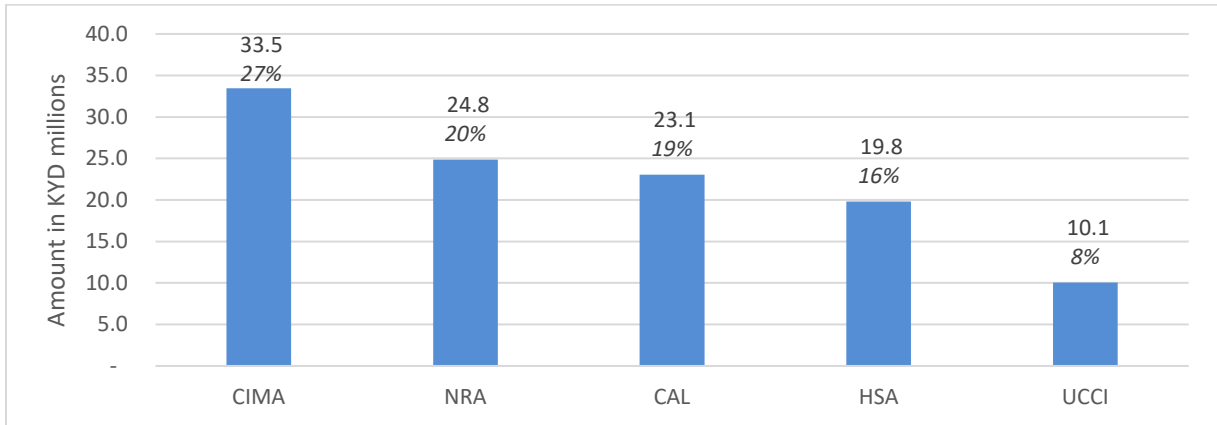
Exhibit 3: SAGCs percentage of revenue by source, 2023



Source: Financial Statements for the respective public bodies.

22. The Government provided \$123.4 million in output funding to SAGCs in 2023. Of this total, four SAGCs billed most of this (\$101.2 million; 82 per cent). Exhibit 4 shows the top five billers of output revenue as a percentage of total output revenue for SAGCs. The most significant was CIMA, which billed \$33.5 million in revenue (representing 27 per cent of total SAGC revenue from the government for the year). CIMA also generated \$31.9 million in revenue from other sources and made a \$21.7 million surplus. NRA billed the second-highest amount at \$24.8 million (20 per cent) CAL the third-highest at \$23 million (19 per cent), followed by HSA at \$19.8 million (16 per cent). The HSA billed \$19.8 million, generated \$157 million revenue from other sources and made a loss of \$82.9 million. Twenty-one SAGCs collectively account for the remaining \$19 million (18 per cent).

Exhibit 4: Top five SAGCs billers of output revenue, 2023



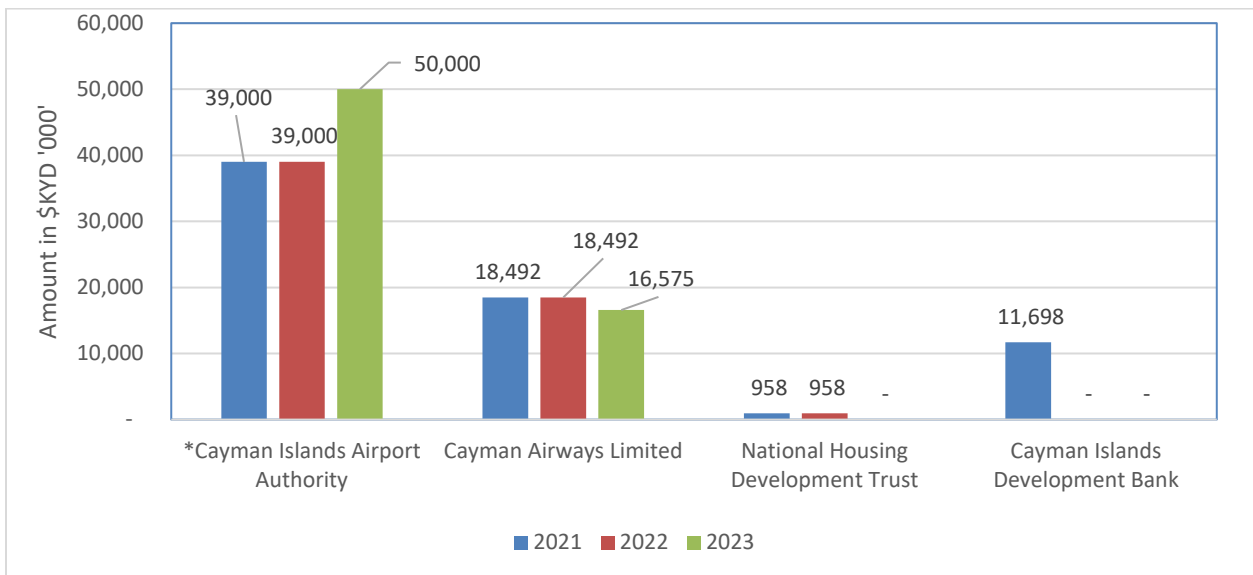
Source: Financial Statements for the respective public bodies

Note: The amounts show the percentage of total output revenue for all SAGCs.

SAGC DEBT HAS INCREASED

23. SAGCs' total non-current debts and loans increased by \$8.1 million (14 per cent) from \$58.4 million on 31 December 2022 to \$66.6 million on 31 December 2023. Exhibit 5 shows that although fewer SAGCs have debt, the value of debt has increased. Two SAGCs – CAL and CIAA held this debt in 2023. The Government provides the guarantee for this debt.

Exhibit 5: SAGCs Non-Current Debts and Loans, 2021 to 2023



Source: Financial Statements for the respective public bodies.

Note: *Budget amount used for CIAA as the 2023, 2022, and 2021 audits are ongoing.

THE VALUE OF SAGCS POST-RETIREMENT HEALTHCARE LIABILITIES HAS SIGNIFICANTLY INCREASED, AND SOME SAGCS HAVE SIGNIFICANT HEALTHCARE LIABILITIES

24. During the 2016–17 fiscal period, the Ministry of Finance decided that all SAGCs that had employees who were deemed eligible to receive post-retirement health care benefits should reflect this obligation in their respective financial statements. Employees of SAGCs had to meet certain conditions to qualify for these benefits. They had to have been previously employed by central government, transferred to a SAGC, worked at least ten years in public service, and retired from public service. Ten SAGCs have eligible employees.
25. I noted a significant increase in the post-retirement healthcare obligations, including a significant increase for some SAGCs. These changes are based on the year-end valuations performed by independent actuaries. Exhibit 6 shows the obligations based on actuarial valuations recorded in the six years from 2018 to 2023 for the ten SAGCs with eligible employees. It shows that the total post-retirement healthcare obligation for the ten SAGCs increased by over 70 per cent, from \$233 million in 2018 to \$401 million in 2023. Five SAGCs post-retirement healthcare obligations increased by more than 50 per cent over the six years. Two SAGCs' post-retirement healthcare obligations increased by more than 50 per cent over the last year i.e., between December 2022 and December 2023. The decrease in 2022 results from the higher discount rate applied to the liability to reflect the rising interest rate regime.
26. The year actuarial valuations of the defined benefit obligations for all SAGCs are performed by one independent firm of actuaries (Mercer). However, I noted that, despite this, there is no clear trend. Five SAGCs experienced a similar trend with increases in 2019 and 2020, decreases in 2021 and 2022 and increases in 2023. Two SAGCs obligations increased each year, while the remaining three SAGCs' valuations were different. The fluctuations in valuations are affecting the financial performance and positions of some SAGCs. For example, the HSA recorded a remeasurement loss of \$72 million in 2023, and remeasurement gains of \$51 million and \$27 million in 2022 and 2021 respectively. This has significantly impacted the variability of surpluses and deficits over the last three financial years.

Exhibit 6: SAGCs post-retirement healthcare obligations between 2018 and 2023

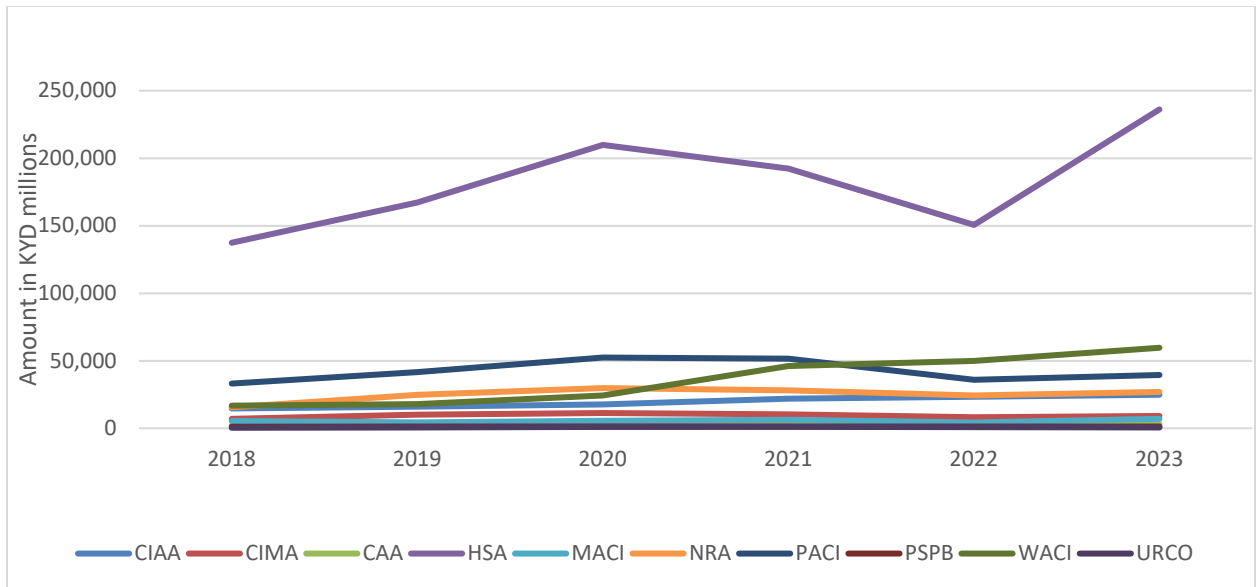
SAGC	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	Percentage 6-year change	Percentage change 2022 - 2023
	\$000	\$000	\$000	\$000	\$000	\$000		
CIAA	14,676	16,112	17,574	22,003	23,308	24,839	66%	+7%
CIMA	6,995	10,102	11,293	10,398	8,082	9,074	30%	+12%
CAA	1,954	2,863	3,755	4,604	3,119	3,039	56%	-3%
HSA	137,416	167,301	209,820	192,306	150,490	236,138	72%	+57%
MACI	5,229	4,330	5,600	6,372	4,243	7,000	34%	+65%
NRA	15,545	24,884	29,772	28,129	24,178	26,911	73%	+11%
PACI	33,105	41,525	52,389	51,446	35,889	39,445	19%	+10%
PSPB	1,169	1,341	1,364	1,263	1,221	1,313	12%	+8%
WACI	16,764	17,795	24,365	46,173	49,801	59,625	256%	+20%
URCO	384	688	1,008	984	755	511	33%	-32%
TOTAL	233,237	286,941	356,940	363,678	301,086	400,895	72%	

Source: Financial Statements for the respective public bodies. 2023 budget figures have been used for CIAA and MACI.

Note: The exhibit includes only those SAGCs that have post-retirement healthcare obligations.

27. Exhibit 7 shows that there is no pattern in the growth of the defined benefit healthcare obligations of the ten SAGCs. For example, the obligation for the HSA was above \$200 million in 2020, reduced to \$150 million in 2022 and increased again to \$240 million in 2023.

Exhibit 7: SAGCs post-retirement healthcare obligations trend between 2018 and 2023



Source: Financial Statements for the respective public bodies. 2023 budget figures have been used for CIAA and MACI.

FINANCIAL PERFORMANCE AND POSITION OF MINISTRIES, PORTFOLIOS AND OFFICES

28. This section comments on some key aspects of Ministries, Portfolios and Offices' (core government entities) financial performance for 2023. These include surpluses and deficits, sources of revenue and current assets and liabilities. Appendix B provides further detail of the financial performance trend for each of the Ministries, Portfolios and Offices for the five years 2019 to 2023.

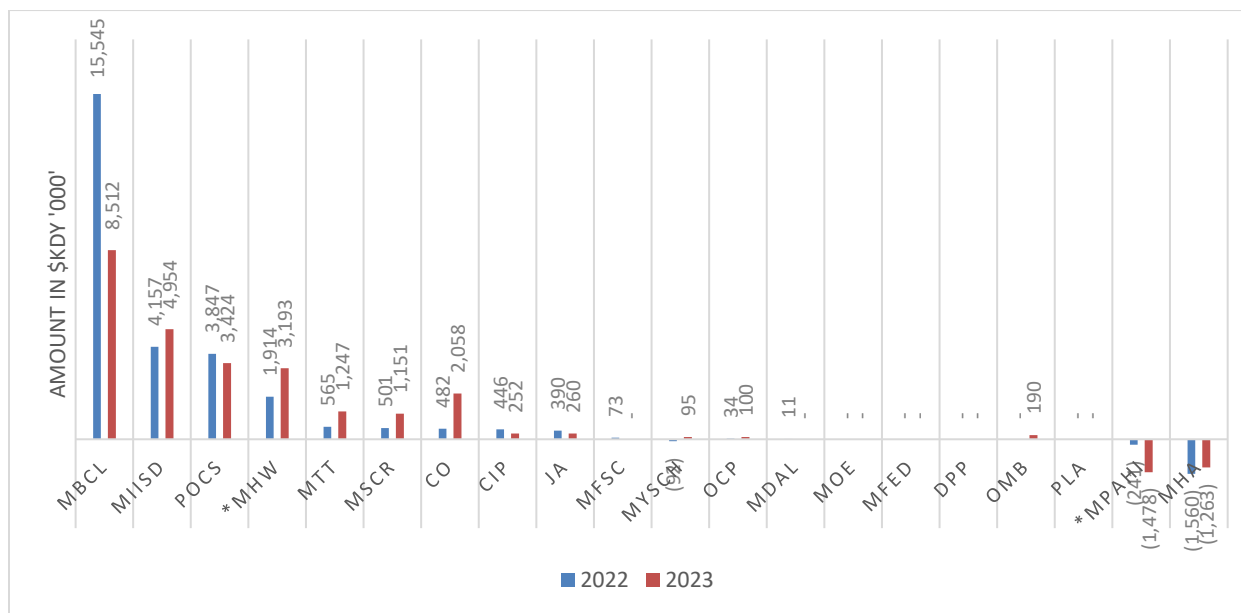
SURPLUSES AND DEFICITS

29. Ministries, Portfolios and Offices typically budget to break even in their budget statements.

However, actual results deviate from that expectation. For the 2023 financial year, 12 of the 18 core government entities audited reported a surplus, i.e. total revenue exceeded total expenditure. The Ministry of Home Affairs (MHA) reported a deficit mainly due to a higher-than-anticipated depreciation expense due to the revaluation of assets in the prior year. The remaining five entities broke even.

30. Exhibit 8 shows the net surplus or deficit for all Ministries, Portfolios and Offices for the year ended 31 December 2023. The Ministry of Border Control and Labour (MBCL) reported the largest surplus compared to other core government entities. The ministry's \$8.5 million surplus was due to unbudgeted third-party revenues, mostly work permit fees.

Exhibit 8: Surplus or (Deficit) by Ministry, Portfolio and Office, 2022 and 2023



Source: Financial Statements for the respective public bodies.

Note: * The amount for MHW and MPAHITD have been obtained from the unaudited draft financial statements submitted for audit.

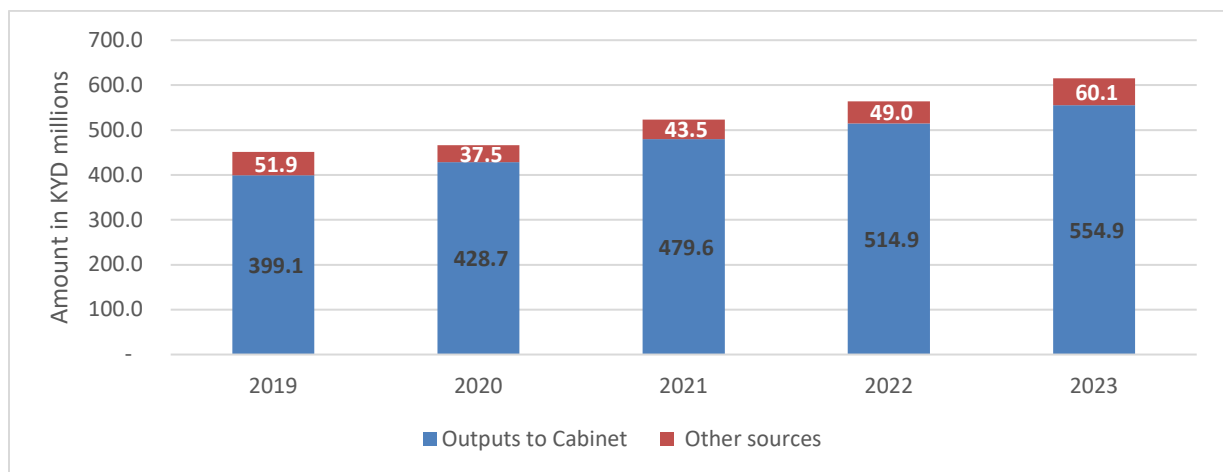
31. PMFA Section 39(3) requires Ministries, Portfolios, and Offices (MPOs) to obtain approval from the Minister of Finance to retain any net operating surpluses. I have noted that several core government entities were in a net surplus position during the 2023 financial year and in prior years but have not returned the surpluses to the MFED. Examples include Cabinet Office (CO), Ministry of Investment Innovation Social Development (MIISD), Ministry of Tourism and Ports (MTP) and Ministry of Sustainability and Climate Resiliency (MSCR). I urge MFED to systematically collect the surpluses made by entities.

REVENUES

32. 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 the public directly for goods and services not deemed coercive (i.e., fees, duties, etc.), collected on behalf of the Treasury and not retained by the respective core government entity.

33. The revenue from Cabinet is the recovery of the cost incurred by entities to provide the outputs on its behalf. This revenue is authorised through the appropriation process. Exhibit 9 shows that over the five years between 2019 and 2023, the total revenue generated from providing outputs to the Cabinet increased by 39 per cent from \$399.1 million to \$554.9 million. Over the same period, total revenues, including revenue from other sources, increased by 9 per cent from \$563.9 million to \$615 million.

Exhibit 9: Total revenues by source, Ministries, Portfolios and Offices, 2019 to 2023

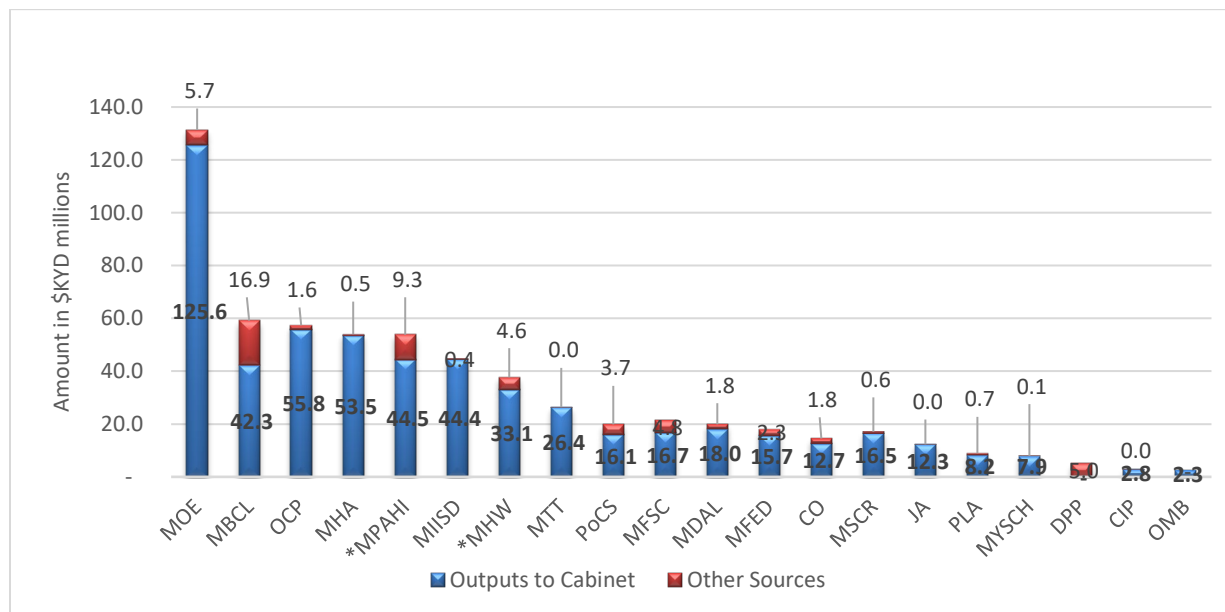


Source: Financial Statements for the respective public bodies.

34. Although the value of revenue increased, the source of revenue remained relatively consistent over the same period. Around 90 per cent of total revenue was from outputs to Cabinet and the remaining 10 per cent comes from other sources.

35. Exhibit 10 shows the total revenues earned and revenues by source for each of the Ministries, Portfolios and Offices for 2023, except for the OAG. The Ministry of Education (MOE) receives the most revenue (\$131.3 million) or 21 per cent of the total. This is more than ten other entities combined. The next five entities account for \$269.3 million or 44 per cent of total revenue in 2023.

Exhibit 10: Total revenues by source, by Ministry, Portfolio and Office, 2023



Source: Financial Statements for the respective public bodies.

Note: The amounts for MHW and MPAHITD have been obtained from the unaudited draft financial statements submitted for audit.

EXPENDITURES

36. Ministries, Portfolios and Offices expenditures relate mainly to personnel costs and supplies and consumables. Personnel costs related to salaries and benefits of civil servants are the biggest driver of expenditures for core government entities.

37. Total expenditures by Ministries, Portfolios and Offices increased by \$54 million or 10 per cent in 2023 compared to 2022. This can mainly be explained by increases in payments to civil servants. Personnel costs increased because of a cost of living adjustment made in September 2022, incremental payments made in December 2022 and the one-off honorarium payments of \$1,500 made in December 2023. There was also other inflationary pressure in non-pay expenditures.

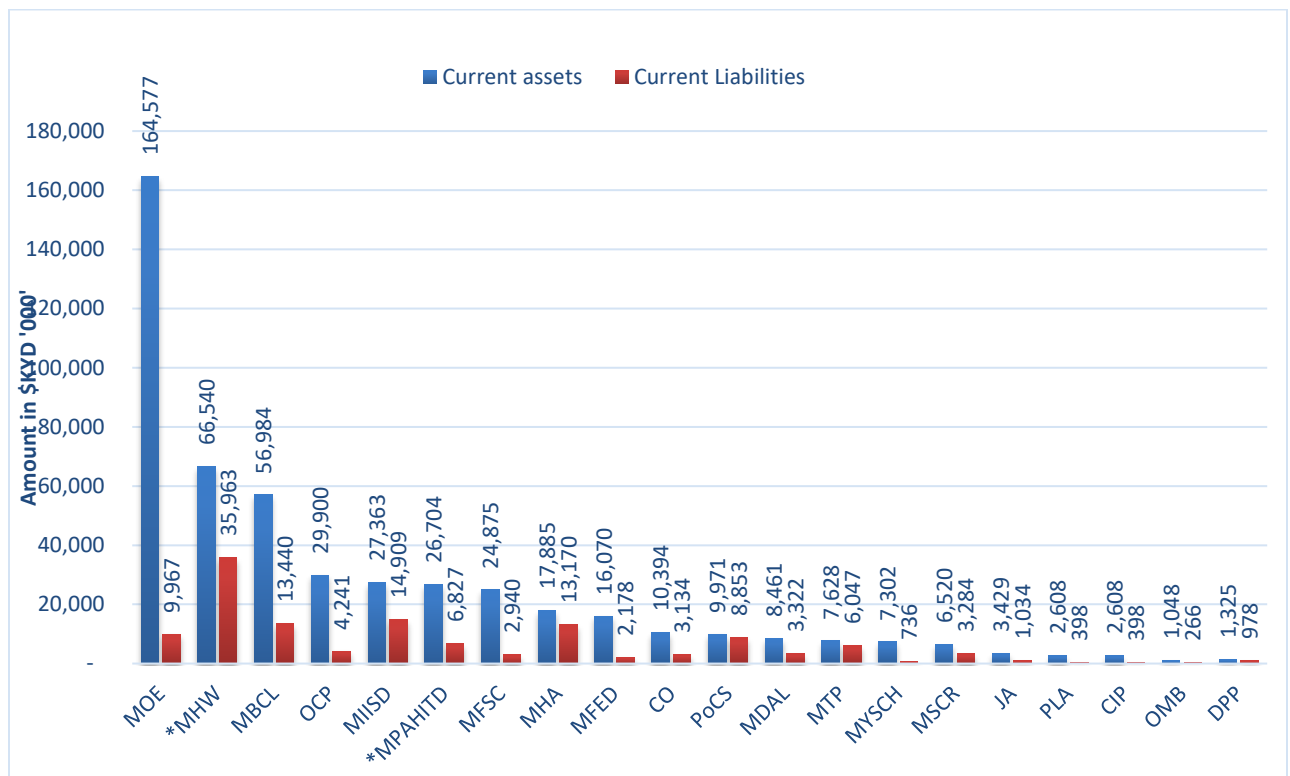
38. MOE was the biggest spender in 2023 with expenditures amounting to \$131 million or 22 per cent of the total expenditures incurred. The top five spenders (MOE, Ministry of Planning, Agriculture, Housing, Infrastructure, Transport and Development (MPAHITD), MHA, Office of the Commissioner

of Police (OCP), and Ministry of Border Control and Labour (MBCL) spent a combined \$350 million or 60 per cent of the total expenditures of all core government entities.

CURRENT ASSETS AND LIABILITIES

39. Exhibit 11 shows each Ministry, Portfolio, and Office’s current assets and current liabilities at the end of 2023. All show positive current ratios, i.e., they have adequate assets to meet current obligations. MOE had the largest net working capital position (current assets less current liabilities) of \$154.6 million, mainly due to its high cash balance of \$114 million at the year-end. Some Ministries, Portfolios and Office have significantly high cash balances resulting from the non-repayment of surpluses made in the prior years.

Exhibit 11: Current assets and current liabilities, by Ministry, Portfolio and Office, 2023

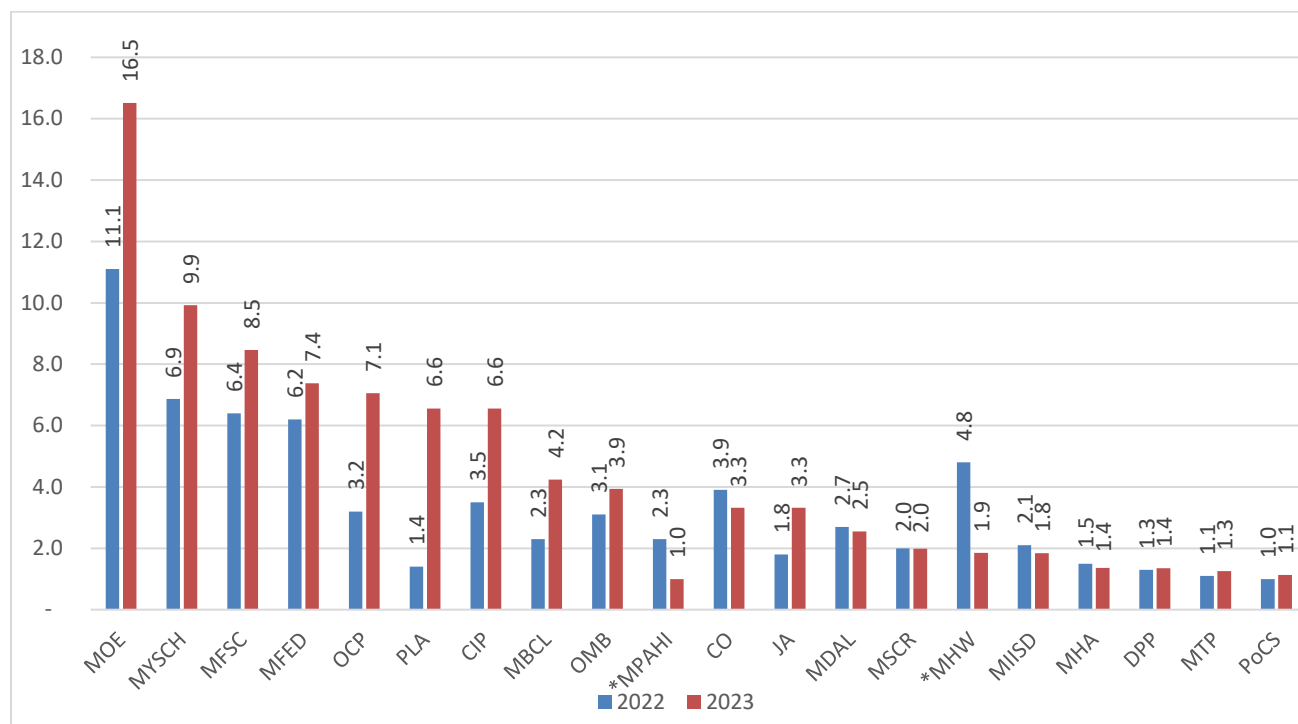


Source: Financial Statements for the respective public bodies.

*Note: The amounts for both MHW and MPAHITD have been obtained from the unaudited draft financial statements submitted for audit.

40. A current ratio of one (1:1) means the amount of current assets held (cash and easily liquidated assets like accounts receivables and inventory) is the same as the current obligations of a core government entity. Therefore, a current ratio above one indicates a favourable asset position; conversely, a current ratio less than one indicates a shortfall of assets to meet current obligations. Exhibit 12 shows that all core government entities had a positive current ratio for 2023.

Exhibit 12: Current ratios by Ministry, Portfolio and Office, 2022 and 2023



Source: Financial Statements for the respective public bodies.

* Note: The amounts for both MHW and MPAHITD have been obtained from the unaudited draft financial statements submitted for audit.

41. Based on our calculations, MOE reported the highest current ratio of 16.5. MYSCH had the second-highest current ratio of 9.9. As reported earlier, MOE’s high current ratio is mainly explained by the high cash balances of \$114 million at the year-end. MOE has maintained substantial cash balances in the prior years.

KEY AUDIT MATTERS FOR 2023

INTRODUCTION

42. In this chapter I discuss some of the general themes that emerged during the 2023 audits that had implications for various public bodies. The findings are drawn from audit opinions and significant deficiencies that I have reported to those charged with governance.
43. A summary of control deficiencies is included in Appendix C, and further details can be found in the individual ISA 260 reports published on our website (we publish them after 31 October 2024 per our ISA 260 policy). <http://www.auditorgeneral.gov.ky/annualauditreportsforindividualetities>. It is worth noting that as at 30 September 2024, the ISA 260 reports for 13 public bodies were yet to be finalized as we were awaiting management responses. The audit matters below do not include the issues reported for these 13 bodies.

THE QUALITY OF FINANCIAL STATEMENTS SUBMITTED FOR AUDIT NEEDS TO IMPROVE

44. Most public bodies submitted their financial statements for audit by the statutory deadline and the audit opinions have generally been good. However, the quality of financial information submitted to my Office by public bodies needs to improve. In particular, the number and value of adjustments made after financial statements are submitted for audit is high. In addition, many financial statements submitted do not include information that needs to be disclosed to aid transparency or fully comply with accounting standards. This means that the financial statements submitted to my Office by public bodies were inaccurate, creating a risk that some policy decisions during the year may have been made based on inaccurate information.

SIGNIFICANT ADJUSTMENTS NEED TO BE MADE TO THE FINANCIAL STATEMENTS

45. The number and value of audit adjustments made to financial statements after they had been submitted to my Office for audit is high. For 2023, public bodies made over 360 adjustments valued at \$354 million. Exhibit 13 summarises the number and value of adjustments made to the 2023 financial statements after the audits started. Overall, 194 adjustments were identified and made by public bodies. Auditors identified a further 168 adjustments.

Exhibit 13: Audit adjustments made to the 2023 financial statements of public bodies

Adjustment Source	Expenses	Income	Assets	Liabilities	Equity	Number of Adjustments
Client	18,478,719	823,194	12,738,074	92,095,106	133,814,760	194
OAG	18,768,230	1,021,626	59,213,224	10,299,273	6,975,030	168
Total	37,246,949	1,844,820	71,951,298	102,394,379	140,789,790	362

Source: OAG Analysis of the 2023 public bodies' financial statements.

46. These adjustments resulted in expenditure changing by over \$37 million and income changing by over \$1.8 million, affecting the public bodies' financial performance. Assets, liabilities and equity were also adjusted by around \$72 million, \$102 million and \$140 million, respectively, affecting financial positions. This means that decisions could have been made based on inaccurate financial information during the year. We also found that internal controls for most public bodies need strengthening, and accounting treatments are at times inadequate (see Appendix D for detail). All of this hinders transparency of the financial reporting process.
47. It is worth noting that \$93 million of the adjustments made to expenses, liabilities and equity is related to revaluations of pension and post-employment healthcare liabilities and expenses based on the actuarial valuations at the end of the year. I reported earlier on the fluctuation in healthcare obligations between 2018 and 2023 (Exhibit 6). Independent actuarial firms continue to provide valuation reports after the year-end, leading to public bodies submitting incomplete financial statements for audit.
48. My Office completed five backlogged audits since my last General Report. I also noted that the quality of financial information submitted for these backlogged audits needs significant improvement. This is demonstrated by the number and value of audit adjustments made to financial statements after they had been submitted to my Office for audit. For example, the recently completed CIAA audit for 2019 resulted in more than 90 audit adjustments to the accounts worth \$93 million. The 2022 audit for MPAHITD resulted in more than 40 adjustments worth \$3.4 million. The 2018 MHW audit had 67 audit adjustments worth \$8.5 million. In most cases, the schedules and other supporting financial records were not properly prepared to reflect the year-end balances. I noted that the accounting records and schedules were not reconciled monthly, and this was only addressed during the audit, resulting in multiple schedule revisions and rework by my Office.

PUBLIC BODIES ARE NOT MAKING ADEQUATE DISCLOSURES IN THE FINANCIAL STATEMENTS

49. Public bodies did not disclose enough detail about certain matters in their financial statements until my Office raised the issues. Accounting standards are designed to drive transparency and assist users' understanding of the financial statements.
50. Public bodies need to do more to ensure adequate disclosures, required by International Public Sector Accounting Standards (IPSAS), relating to issues such as subsequent events and commitments. I also found that the financial statements submitted for audit often lack adequate disclosures explaining the differences between the actual financial position, spending and income against the budget. IPSAS 24 requires a comparison of budget amounts and the actual amounts and a comparison of original and final budget amounts to be included in the financial statements of public bodies that are required to or elect to, make publicly available their approved budget(s). The standard also requires disclosing the reasons for material differences between the budget and actual amounts. The draft financial statements submitted to my Office for audit of most public bodies lacked adequate explanations for these budget variances.

PUBLIC BODIES ARE NOT ADEQUATELY PREPARING FOR CHANGES IN ACCOUNTING STANDARDS

51. During the 2023 financial year, several financial reporting standards were published, and others were amended, which had implications for many public bodies.
52. Several entities had not updated the disclosures in the financial statements submitted for audit to comply with the requirements of the new *IPSAS 41 "Financial Instruments"*. These were material omissions. IPSAS 41 establishes new requirements for classifying, recognising and measuring financial instruments to replace those in *IPSAS 29, Financial Instruments: Recognition and Measurement*. However, significant challenges were encountered in the adoption of IPSAS 41 as public bodies had not adequately prepared for this new standard on a timely basis. This led to delays in the audit process and the completion of audits. My Office worked closely with, and assessed the work produced by, affected public bodies and was satisfied that the updated financial data and disclosures were fairly stated.
53. Several changes to accounting standards are planned and will take effect in the coming few years. These will have a significant impact for many public bodies. For example, one IFRS amendment took effect on 1 January 2024, and four new IPSAS standards will take effect on 1 January 2025. Appendix D details these new, revised and upcoming accounting standards. Among the new standards set to take effect in 2024, *IPSAS 43 – Leases* is likely to have the most significant impact on public bodies. IPSAS 43 introduces a right-of-use model, replacing the risks and rewards associated with the ownership model found in IPSAS 13, *Leases*. For lessors, IPSAS 43 largely retains the risks and rewards associated with ownership from IPSAS 13. Public bodies will need to assess and evaluate all leasing arrangements they currently have in place. The implementation of IPSAS 43 will

likely lead to an increase in both the asset and liability components of leases, which would previously have been recognised as an expense in the statement of financial performance. Public bodies must consider and account for all the new standards in the years ahead.

54. MFED needs to ensure that public bodies actively prepare themselves for these upcoming changes in IPSAS and International Financial Reporting Standards (IFRS).

SOME PUBLIC BODIES ARE NOT COMPLYING WITH ACTS AND REGULATIONS

55. I continue to be concerned that public bodies are not complying with Acts and regulations, specifically in relation to the *Procurement Act* and *Public Authorities Act*.

GOODS AND SERVICES ARE NOT ALWAYS PROCURED IN LINE WITH THE PROCUREMENT ACT AND REGULATIONS

56. The *Procurement Act* and supporting Procurement Regulations came into force on 1 May 2018. The Act was brought into force to improve public sector procurement and better demonstrate value for money. Public bodies must comply with the *Procurement Act (2023 Revision)* provisions in all procurement transactions. It is disappointing to note many instances of non-compliance with the *Procurement Act* and Regulations by public bodies several years after their introduction. It is also disappointing that many of these instances are recurring from prior years. Examples of non-compliance noted are listed below.

GOOD AND SERVICES PROCURED WITHOUT THE PUBLIC PROCUREMENT COMMITTEE'S (PPC) APPROVAL (PURCHASES GREATER THAN \$250K)

57. The Procurement Regulations (3) (b) require an entity to submit to the Public Procurement Committee (PPC) for approval a written business case for procurement projects valued at greater than \$250,000. However, through the 2023 audits, I noted the following:⁷

- The Cayman Islands National Attractions Authority (CINAA) started spending money on phase one of the Children's garden without there being an approved business case from its Entity Procurement Committee (EPC) or the PPC.
- MOE awarded a janitorial contract for \$417,000 without obtaining the required PPC approval. In addition, management was unable to provide a formal janitorial contract for the New John Gray High School, except for an addendum to the original contract, which was originally procured in 2021 for \$506,000.

⁷ The amounts have been rounded to the nearest \$'000'

- The Ministry of Financial Services and Commerce (MFSC) paid a vendor \$3.1 million for various computer services. The contract with this vendor was signed more than 13 years ago. There is no evidence of subsequent tendering or PPC approval for this contract. In addition, MFSC has paid US\$180,000 a year to another vendor for legal consultancy services since 2019. Since the inception of this contract in October 2019, about \$491,000 has been paid to this vendor without approval from the PPC.
- MHA purchased various goods and services valued at more than \$250,000 without publishing the contract awards on the Government’s public procurement portal (Bonfire). These include the purchase of fire trucks for \$1.4 million and \$531,000 and the provision of military vehicles and equipment for \$509,000.
- The Utility Regulation and Competition Office (URCO) signed a contract with an IT provider without the required PPC approval. The contract is valued at about \$265,000 over the last five years.

GOOD AND SERVICE PROCURED WITHOUT TENDERING (GREATER THAN \$100,000)

58. The Procurement Regulations require that procurement projects valued at more than \$100,000 require a business case to be prepared. I noted instances where public bodies procured goods and services without tendering or without an approved business case for procurement projects valued at greater than \$100,000. The following instances were noted:

- CIMA made four direct contract awards without obtaining approval from its EPC. These include the procurement of legal consultancy services for \$163,000 and three purchases of services valued at \$103,000, \$129,000 and \$120,000.
- The Ministry of Youth, Sports & Heritage (MYSH) did not carry out a competitive process for the procurement of security services for \$154,000.
- The Judicial Administration (JA) awarded a contract for renovation works valued at \$115,000 without the business case approval by the EPC.
- The National Gallery of the Cayman Islands (NGCI) entered into a contract in 2015 to provide accounting services. The contract does not have a specific end date. The Procurement Regulations (2022 Revision) state that entities are required to undertake a competitive process when procuring any goods, services, or works except where it can be demonstrated that the procurement meets the criteria for a direct award.

SOME SAGCS ARE NOT FULLY COMPLYING WITH THE PUBLIC AUTHORITIES ACT

59. The *Public Authorities Act* (PAA) came into force on 1 June 2018 and aims to provide uniform regulation of the management and governance of public authorities. The implementation of section 47 of the Act was delayed until June 2019.

PUBLIC AUTHORITIES ACT (PAA) - REMUNERATION OF STAFF

60. The PAA sets out how SAGCs are expected to determine staff's terms and conditions and remuneration. The PAA sections 47 (1) and (2) require SAGCs to use the same salary scale, as determined by the Cabinet, and all jobs be evaluated using the same job evaluation methodology. The Cabinet has determined that this is the civil service salary scheme. The PAA requires that after the commencement date (June 2019), where there is a difference between the terms and conditions of employment at a SAGC and the civil service, the salary grades for remuneration in the SAGC be adjusted accordingly to reduce such differences.
61. All SAGCs were required to conduct job evaluations of existing positions in their organisations. This was to determine whether the salary bands for the positions aligned with the salary scale determined by the Cabinet to ensure compliance with the PAA requirements. All SAGCs could not conduct these evaluations internally, so they engaged the Portfolio of Civil Service (PoCS) to perform them on their behalf.
62. Most SAGCs have implemented section 47 (1) in previous years. However, my Office noted that the CAA, CAYS and CIMA have still not fully complied with section 47 (1) of the PAA, as they had not adopted the revised salaries following the job evaluations. Therefore, I have included this as an 'emphasis of matter' paragraph in audit opinions on their 2023 financial statements.
63. I previously recommended in the 2021 and 2022 General Reports that CIMA and CAA urgently complete the implementation of the PAA section 47 to ensure their full compliance. The Public Accounts Committee (PAC) endorsed this recommendation in its May 2024 report which was laid in Parliament in July 2024. The PAC urged the Financial Secretary to obtain clarity from the Cabinet as to which salary scales are being used by SAGCs and whether the Cabinet has approved those scales. I am unaware if the Financial Secretary has done this. In addition, the Deputy Governor agreed to write to the boards of the SAGCs who still do not comply with section 47 (1) of the PAA and ask them to do so. I am unaware if the Deputy Governor has written to the boards of the SAGCs requesting them to comply with the PAA.

PUBLIC AUTHORITIES ACT (PAA) – TERMS AND CONDITIONS OF STAFF

64. PAA section 47 (3) aims to align the non-monetary benefits of SAGC employees with those of their civil service counterparts where necessary. Non-monetary benefits include health insurance, pensions, leave entitlements and retirement benefits.
65. 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.⁸ I noted in the 2021 General Report that the HSA had moved to implement PAA section 47 (3) in

⁸ *Improving Financial Accountability and Transparency: Budgeting*, Office of the Auditor General, December 2020.

relation to pension contributions before fully implementing PAA section 47 (1). In the last General Report, I estimated that all SAGCs implementing section 47 (3) would incur additional recurring annual costs of about \$14 million in pension contributions if public servants were to benefit from the same level of public funding as civil servants. In the same report, I estimated that the cost of healthcare insurance for all SAGCs was about \$17 million, and this is for employees only. Implementing section 47 (3) of the PAA could potentially increase this amount as employees' dependents would become eligible for coverage at the expense of the SAGCs.

66. I have previously recommended that the Government estimate the cost of fully implementing PAA section 47 and ensure that either the policy is changed or SAGCs receive sufficient funding in their budgets.⁹ The Government agreed and accepted this recommendation. However, 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). In the March 2024 PAC hearing on the 2022 General Report, the Deputy Governor agreed to take the matter of implementing Section 47 (3) of the PAA to Cabinet for a policy decision, including whether to change the Act or to budget for the implementation of section 47 (3). The PAC endorsed this recommendation in its May 2024 report. We are unaware if the Deputy Governor has taken the matter to Cabinet for a policy decision on funding or amending the Act.

SUPPLEMENTARY APPROPRIATION BILLS WERE NOT TABLED IN TIME

67. The PMFA requires a Supplementary Appropriation Bill to increase the budget and authorise financial transactions. The PMFA requires that this Bill be introduced in Parliament by 31 March of the year following the financial year to which those transactions relate. The Supplementary Appropriation Bill for 2023 was not introduced in Parliament by 31 March 2024 as required by the Act. Therefore, I included Emphasis of Matter (EOM) paragraphs in the audit opinions of eight public bodies (see Exhibit 17 in **The Status of Audits and Financial Reporting**).

⁹ This recommendation was included in *Improving Financial Accountability and Transparency: Financial Management and Reporting* (May 2021) and the 2021 and 2022 General Reports.

THE STATUS OF AUDITS AND FINANCIAL REPORTING

68. This chapter provides an update on the status of all audits. This includes the 2023 audits, backlogged audits, including those backlogged audits signed off since the last General Report, and EPS. It also provides a summary of the timeliness of the submission and tabling of financial statements and annual reports.

STATUS OF AUDITS

39 AUDITS OF PUBLIC BODIES FOR 2023 ARE COMPLETED

69. As at 30 September 2024, the OAG had completed 39 audits of public bodies for the 2023 financial year.¹⁰ My Office and the contracted firms working on my behalf completed audits for 39 of the 46 public bodies (85 per cent) by the statutory deadline of 30 April 2024.¹¹ This was the same number as at 30 September 2024. My Office completed 36 out of 39 in-house audits of public bodies for 2023. I did not start the 2023 audits of CIAA, CTC, MHW and NHDT because their prior years' audits were ongoing and incomplete. Private firms undertook six audits. Three did not achieve the 30 April deadline; the same number as in 2022.

70. Exhibit 14 shows the completion of the 2023 audits (excluding EPS). The 2023 results are an improvement on the past five financial years. In the previous five years, 76 per cent of audits were completed by the statutory deadline for 2022, 66 per cent for 2021, 81 per cent for 2020, 66 per cent for 2019, and 60 per cent for 2018.

¹⁰ The OAG's financial statements for 2023 were submitted and audited by the respective statutory deadlines and received an unqualified audit opinion. The OAG's Annual Report for 2023 was tabled in the Parliament by 30 September 2024 (the cut-off date for this report). All figures reported exclude the OAG.

¹¹ The 46 public bodies exclude the consolidated financial statements for the entire public sector (EPS). The EPS financial statements have different statutory deadline for submission for and completion of the audit.

Exhibit 14: Completion of the 2023 entity audits

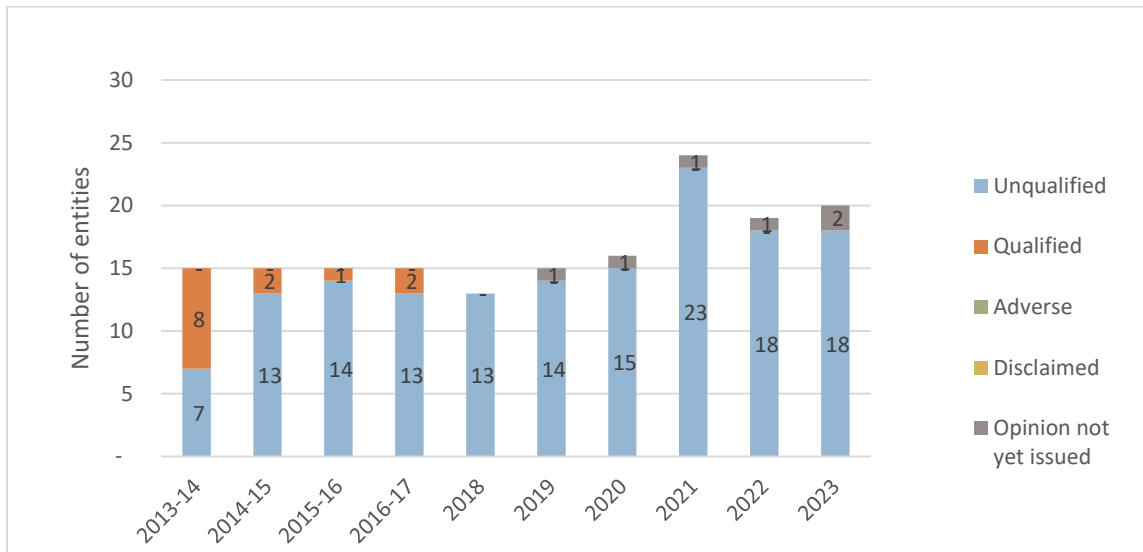
Date audit was completed by	Number of audits	Percentage	Cumulative percentage of completed audits
Completed by 30 April 2024	39	85%	85%
Additional audits completed by the date of issuance of this report (30 September 2024)	-	-	85%
In-progress (see Exhibit 18)	7	15%	
Total	46		

Source: OAG analysis of 2023 financial statement sign-off dates.

ALL AUDIT OPINIONS ISSUED FOR 2023 ARE UNQUALIFIED

71. I issued unqualified audit opinions for all 39 completed audits for the 31 December 2023 financial year. Exhibit 15 shows the number and types of audit opinions that my Office has issued for core government entities in the ten years 2013–14 to 2023. It shows significant improvement in the audit opinions issued over the ten years, with notable improvement starting from the 2014–15 financial year. It is also worth noting that for the past five years, beginning in 2018 no core government entity has been issued with a qualified audit opinion to date. As reported previously, two core government entities have backlogged audits. The MHW audit has been outstanding since 2019, and the audit of MPAHITD’s 2023 financial statements is ongoing.

Exhibit 15: Core government entities’ audit opinions, 2013–14 to 2023



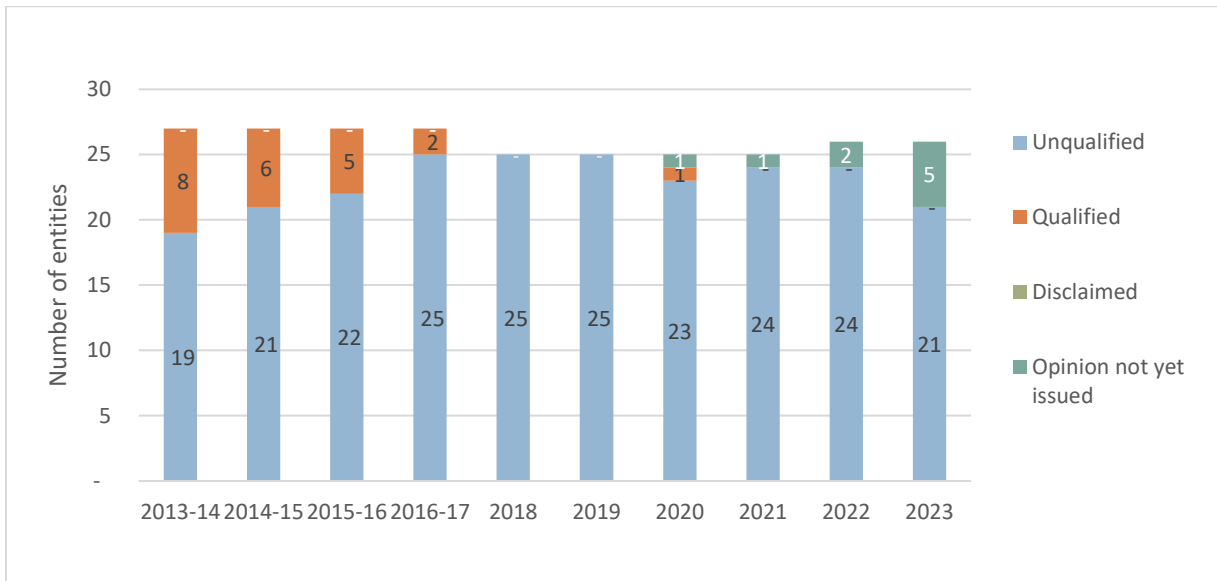
Source: Audited financial statements of core government entities 2013–14 to 2024.

Notes: The number of core government entities, excluding OAG, increased from 14 to 20 over the ten years. The number fluctuated over the years due to various government reorganisations. The audits of MPAHITD

2023 and MHW for 2019, 2020, 2021, 2022 and 2023 are ongoing at the time of this report. The exhibit excludes the EPS and OAG audits.

72. Exhibit 16 shows the number and types of audit opinions my Office issued for SAGCs between 2013–14 and 2023. It shows a gradual improvement year-on-year to 2016–17, after which the situation has remained relatively constant. It also shows that the number of qualified audit opinions decreased from eight in 2013–14 to none in 2018. Since then, I have only issued one qualified opinion in 2020.

Exhibit 16: SAGCs’ audit opinions, 2013-14 to 2023



Source: Audited financial statements of SAGCs 2013–14 to 2024.

MATTERS HIGHLIGHTED THROUGH THE ‘EMPHASIS OF MATTER’ AND ‘OTHER MATTER’ PARAGRAPHS IN THE 2023 AUDIT OPINIONS

73. Although all audit opinions issued for the 2023 financial year were unqualified, I included ‘emphasis of matter’ (EOM) or ‘other matter’ (OM) paragraphs on the audit opinions for 13 public bodies. I believe the matters highlighted in these paragraphs are significant, and I have brought them to the attention of the users of the financial statements. Exhibit 17 summarises the significant issues raised as ‘EOM’ or ‘OM’ in the 2023 audit opinions.

Exhibit 17: Significant issues raised as ‘emphasis of matter’ and ‘other matter’ paragraphs in 2023 audit opinions

Public Body	Non-compliance with Public Management and Finance Act S11 & S12	Non-compliance with Public Authorities Act S47	Going concern- Net liability position	Unmet Objectives	Going concern - Heavy reliance on Central Government Support	Impairment of loan balances
MDAL	✓					
CAB	✓					
JA	✓					
MHA	✓					
MSCR	✓					
CNCF	✓					
SIAHDC	✓			✓		
UCCI	✓					
CAA		✓				
CIMA		✓				
CAYS		✓				
HSA			✓			
CIDB					✓	✓

Source: Audit opinions for the respective public bodies.

Note: Please refer to the list of abbreviations at the beginning of this report.

74. I have reported on three of the main reasons for these paragraphs earlier in the report i.e., Supplementary Appropriation Bill for the additional funding not introduced in Parliament by 31 March 2024, SAGCs non-compliance with section 47 (1) of the PAA, and HSA’s net deficit position. I highlighted matters in the audit opinions of two other public bodies – Sister Islands Affordable Housing Development Corporation (SIAHDC) and the Cayman Islands Development Bank (CIDB) – in relation to three different issues. I have highlighted these issues in prior year audit opinions and in previous General Reports.
75. Appendix C contains further information on the status of the 2023 audits. The appendix includes information about the type of audit opinion issued, the date I signed the financial statements and the date these were tabled in Parliament. It also contains information for the four previous years, 2019 to 2022 for trend and comparison purposes.

BACKLOGGED AUDITS

76. As at 30 September 2024, 18 audits were ongoing or backlogged. This includes eight public bodies’ (including EPS) audits for the 2023 financial year, four for 2022, three for 2021, two for 2020, and one for 2019. Exhibit 18 shows the 18 backlogged audits. The number of backlogged audits has not improved from last year’s position when 17 audits were backlogged as at 30 September 2023.

Exhibit 18: Outstanding audits as at 30 September 2024

Public Body	Year(s) Outstanding				
	2023	2022	2021	2020	2019
Ministry of Health and Wellness	✓	✓	✓	✓	✓
Cayman Islands Airport Authority	✓	✓	✓	✓	
Entire Public Sector	✓	✓	✓		
Cayman Turtle Conservation and Education Center Limited	✓	✓ ¹²			
National Housing Development Trust	✓				
Ministry of Planning, Agriculture, Housing, Infrastructure, Transport and Development	✓				
Cayman Airways	✓				
Maritime Authority of the Cayman Islands	✓				
TOTAL	8	4	3	2	1

Source: OAG analysis of financial statements audit completion dates.

77. Since my last General Report, my Office completed five backlogged audits. These include the Ministry of Health, Environment, Culture and Housing (MHECH) 2018, Cayman Turtle Centre (CTC) 2021, Cayman Islands Airports Authority (CIAA) 2019, Ministry of Planning Housing, Agriculture, Infrastructure, Transport and Development (MPAHITD) 2022 and the University College of the Cayman Islands (UCCI) 2022.

THE QUALITY OF THE ENTIRE PUBLIC SECTOR (EPS) FINANCIAL INFORMATION NEEDS TO IMPROVE

78. The Entire Public Sector (EPS) account consolidates the financial statements of all core government and SAGCs. The 2023 and 2022 financial years comprised 47 public bodies (including the OAG) (50 in 2021). As at 30 September 2024, the 2021, 2022 and 2023 EPS audits are still ongoing or yet to start. The EPS the audits for the previous four financial years (2016–17 to 2020) received adverse opinions. I am finalising the 2021 audit, and an adverse opinion will be issued due to various issues affecting the consolidated financial statements. The most significant issues to address are the following:

- **Completeness of revaluation, inconsistent accounting policies and poor controls over property, plant and equipment.** Management did not provide a complete valuation to support their valuation of the road network, which was \$509 million. This amount relates to infrastructure, roads, and sidewalks, as disclosed in the EPS financial statements. A material

¹² The 2022 audit for Cayman Turtle Conservation and Education Center Limited was issued on 16 October 2024.

difference of \$80.2 million exists in the infrastructure, roads, and sidewalks reported on the financial statements compared to the amounts on the valuation report provided.

- **Understatement of retirement benefits liabilities.** The Government did not record liabilities relating to its post-retirement healthcare programme. The actuarial valuation results for core government estimated the post-retirement healthcare net liability to be \$2.4 billion. The valuation also estimated post-retirement medical expenses of \$148.4 million and other comprehensive income of \$34.9 million. Based on the above, the reported total current and non-current retirement benefits of \$906.8 million are materially misstated as of 31 December 2021. In its May 2024 report, the PAC recommended that the Government place the post-retirement healthcare liability on the face of the statement of financial position rather than in a note to the accounts. This is needed to satisfy IPSAS requirements for accuracy and transparency and will support the EPS in moving away from an adverse opinion.
- **Incompleteness of revenue, receivables and unearned revenue.** Due to poor controls, management could not provide sufficient or appropriate audit evidence or confirm the completeness of its coercive revenue. I have not been able to conclude on the fairness of the amount reported as coercive revenues of \$741.9 million on the statement of financial performance for the year ended 31 December 2021. Additionally, sales of goods and services amounting to \$218.9 million, as reported in the statement of financial performance, are materially misstated due to unadjusted differences of \$40.6 million. Because of the revenue incompleteness, I could not conclude on other balances reported on the statement of financial position as at 31 December 2021. These include current and non-current trade receivables balances of \$38.3 million, other receivables of \$18.3 million, and unearned revenues of \$83.7 million.

79. I have commented and made recommendations on these issues in previous General Reports and in my May 2021 performance audit report, *Improving Financial Accountability and Transparency: Financial Management and Reporting*. I recommended that MFED develop and implement an action plan to improve the quality of the entire public sector's consolidated financial statements. MFED committed to having a plan by the end of June 2022 and shared the plan with my Office in October 2022. The action plan included actions that would address most of the issues, some of which were due to be resolved between December 2022 and June 2023.

80. I recommended in the 2022 General Report that MFED continue implementing the corrective action plan and resolving all qualification points to improve the quality of the entire public sector's (EPS) consolidated financial statements. This would move the EPS account towards the desired unqualified audit opinion. In March 2024, at the PAC hearing on the 2022 General Report, MFED indicated that it had begun implementing some actions. In addition, the Accountant General undertook to provide the PAC with a copy of MFED's action plan for improving the EPS audit opinion by 31 July 2024. The PAC endorsed and supported my recommendation in its May 2024 report. It is unclear if this has been done.

THE TIMELINESS OF SUBMITTING AND TABLING OF ANNUAL REPORTS AND FINANCIAL STATEMENTS NEEDS TO IMPROVE

81. Financial information must be promptly accessible to key stakeholders and the public. The availability of financial information is crucial, as stakeholders should use the information for accountability and decision-making purposes. Financial statements are only useful if the information is made available to users within a reasonable time. The IPSAS and the PMFA require public bodies to publish their financial statements within six months of the reporting date.

MOST PUBLIC BODIES SUBMIT THEIR FINANCIAL STATEMENTS ON TIME

82. The PMFA requires public bodies to submit their financial statements and annual report to my Office within two months after the year-end, i.e., by the end of February each year. My Office must audit the financial statements within two months, i.e., by 30 April each year.

83. The timeliness of submitting financial statements and completing audits has improved. For the 2023 reporting period, 44 of the 46 (excluding EPS) public bodies submitted their financial statements by the statutory deadline of 29 February 2024. PSPB and NHDT did not submit their 2023 financial statements on time. This was an improvement when compared to 2022 when four public bodies submitted financial statements after the statutory deadline.

THE SUBMISSION AND TABLING OF ANNUAL REPORTS NEEDS TO IMPROVE

84. Annual reports enable stakeholders, legislators and citizens to 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 Parliament on time to ensure proper accountability. The number of public bodies preparing annual reports has increased considerably.

85. 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. The timeliness of these reports reaching Parliament, while better, is also still a matter of concern. Delays in annual report tabling may significantly impair public sector accountability. Key stakeholders and the wider public are not receiving information on entities' operations on time, which reduces the relevance of these reports serving accountability and in decision-making.

SUBMISSION OF ANNUAL REPORTS TO THE AUDITOR GENERAL

86. As reported above, the PMFA requires public bodies to submit their annual report containing the respective financial statements to my Office within two months after the year-end, i.e., by the end of February each year.

87. Thirty-five of 46 public bodies submitted their annual reports to my Office by the statutory deadline. Eleven bodies (AOA, CNCF, CAYS, NRA, NGCI, MDAL, PACI, NHDT, PSPB, and the SIF) did not. This is similar to 2021 when 11 public bodies missed the statutory deadline.

TABLING OF ANNUAL REPORTS IN THE PARLIAMENT

88. The PMFA also requires public bodies to lay their annual report, containing the financial statements and audit opinion, in Parliament, via the Cabinet, within five months after the end of the year, i.e., 31 May. This is a pivotal step that completes the accountability chain. Despite recent improvements, the financial statements and associated annual reports need to be tabled in Parliament timelier. I remain concerned about the significant time it took for many of these reports to reach Parliament and the number of annual reports that have yet to be tabled.

89. A total of 39 annual reports for the financial years 2019 to 2023 are reports not yet tabled. As at 30 September 2024, only 22 public bodies (56 per cent) had managed to lay their 2023 annual reports in Parliament. This is disappointing as we had completed the audits of 39 public bodies by 30 April 2024. Parliament met once in July 2024, presenting an opportunity to table annual reports. I note that an additional five annual reports for 2023 were tabled in October 2024.¹³

90. There has been a significant improvement in tabling annual reports. Exhibit 19 shows the number of annual reports tabled annually and the financial period that the report relates to.

Exhibit 19: Number of Annual Reports Tabled Annually, 2020 to 2024

	2020	2021	2022	2023	2024
2016-17 Annual reports	9	3	-	-	-
2018 Annual reports	11	6	2	1	-
2019 Annual reports	22	12	1	1	1
2020 Annual reports	-	23	11	1	
2021 Annual reports	-	-	30	6	1
2022 Annual reports	-	-	-	31	5
2023 Annual reports	-	-	-	-	22
Total	44	44	44	40	29

Source: Order Papers from the Parliament website.

Note: Annual Reports and Financial Statements tabled as of 30 September 2024.

91. Exhibit 19 shows that between 2020 and 2023, at least 40 annual reports were laid in Parliament each year. As at 30 September 2024, 29 annual reports had been tabled in the current year. The

¹³ An additional 12 annual reports were tabled in the month of October 2024. These included 5 for the 2023 financial year and the rest for the prior years.

exhibit also shows that many old annual reports were tabled between 2020 and 2022. Most annual reports are now tabled in the same year as the audit is completed. However, very few annual reports are tabled within two months of the audits being completed. Because Parliament did not sit before July 2024, no annual reports for 2023 were tabled within two months of audit completion. For the 2022 financial year, two annual reports were tabled within one month.

CONCLUSION

92. This report summarises our audits of Ministries, Portfolios, Offices, Statutory Authorities, and Government Companies of the Cayman Islands Government for 2023.
93. I am pleased to report that all of the 39 audit opinions issued so far for 2023 are unqualified. However, the quality of financial reporting needs improvement. The number and monetary value of audit adjustments noted in the 2023 audits are cause for concern and these could mean that decisions and policies could be made based on inaccurate financial information. In addition, public bodies need to improve the transparency of their financial statements by adequately disclosing subsequent events, commitments and explaining budget variances.
94. I noted that several SAGCs such as the Cayman Islands Development Bank, Heath Services Authority, Port Authority of the Cayman Islands, Public Services Pensions Board and the Water Authority of the Cayman Islands were in a net deficit position in 2023. The *Public Authorities Act* (Section 7) requires public authorities to conduct their affairs in a responsible financial manner and operate as a profitable and efficient business and contribute to the revenue of core government or, at least, break even in their operations. The Government needs to reconsider those SAGCs that constantly make losses and either change their policy and operational requirements of them or provide adequate funding for their existing operations.
95. I am also pleased to note that more public bodies' annual reports are being tabled in Parliament. The PMFA requires that annual reports are tabled in Parliament by 31 May each year. However, only 22 out of 39 public bodies whose 2023 audits were completed had laid their annual reports in Parliament by 30 September. The tabling and publication of annual reports are crucial for effective accountability and transparency to key stakeholders but to improve this further requires Parliament to sit more frequently.
96. It is disappointing to note some recurring themes from prior years. In particular, I am concerned about the extent of non-compliance with Acts and regulations, specifically in relation to the *Procurement Act* and the *Public Authorities Act*. The *Procurement Act* was brought into force in 2018 to improve public sector procurement and better demonstrate value for money. The Central Procurement Office has developed significant guidance and provides advice. However, despite this, five years later many public bodies are not complying with the legislation or complying with the guidance. Three public bodies - the Cayman Islands Monetary Authority, the Civil Aviation Authority, and the Children and Youth Services Foundation – have yet to fully implement section 47 (1) of the *Public Authorities Act*. This section of that Act has been in effect since June 2019. More significantly the implementation of section 47 (3) will cost millions of dollars a year if health care, pensions and other benefits are made consistent with those of the civil service. I again implore the Government to

either change their policy and the Act if they deem it unaffordable or provide funding to enable this to be implemented.

97. The EPS account continues to receive adverse audit opinions year-on-year. My Office is finalising the 2021 audit. None of the issues raised in the previous few years have been resolved, and the opinion will be adverse. The Ministry of Finance and Economic Development must focus on this account. I urge the ministry to implement the corrective action plan and resolve all qualification points to improve the quality of the entire public sector's (EPS) consolidated financial statements. This will move the EPS account towards the desired unqualified audit opinion.
98. In the last two general reports, I have encouraged public bodies to take active steps to prepare themselves for the upcoming changes in International Public Sector Accounting Standards (IPSAS) and International Financial Reporting Standards (IFRS). However, public bodies had not appropriately prepared for the implementation of one accounting standard in 2023 on a timely basis. This caused significant delays with some audits that could have been completed much earlier. Further significant changes to accounting standards are coming in the next few years. I urge the Ministry of Finance and Economic Development to provide effective financial leadership on this.
99. The Public Accounts Committee (PAC) took evidence on my 2022 General Report in March this year and prepared its report. I am pleased that the PAC endorsed all the recommendations I made in 2023. Therefore, I have not made recommendations in this General Report or repeated recommendations from prior years. I will, instead, follow up on the implementation of my and the PAC's recommendations over the year ahead.
100. I repeat my gratitude to all our clients, particularly their finance teams, my OAG staff, and our partners at the firms, for their hard work and focus. It is due to their efforts that the 2023 financial statements, financial audits, and this report have been completed and that many improvements have been made. While there is always work to do to improve upon what went before, we should not lose sight of the vast improvements that have been made over time to Cayman's public services financial management and reporting.



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

12 November 2024

APPENDIX A – FINANCIAL TREND ANALYSIS – STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES (SAGCS)

101. In this appendix, we report a trend analysis of the financial performance of SAGCs for the five years 2019 to 2023. For entities with ongoing audits, we have used budget numbers or, where available, numbers obtained from financial statements submitted for audit.

102. Exhibit 20 provides details of each SAGC reported surplus or deficit for the five years from 2019 to 2023. Exhibit 21 shows revenue by source for each SAGC. Exhibit 22 details the reported expenditure.

Exhibit 20: Net Profit/ (Loss) or Surplus/ (Deficit) by SAGCs from 2019 to 2023

SAGC	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23
Auditors Oversight Authority	(17,106)	55,576	-	-	-
Cayman Airways Limited*	(7,797,858)	(552,685)	(5,019,266)	(13,182,954)	*(11,443,813)
Cayman Islands Airport Authority*	3,403,034	*704,410	*1,625,056	*(1,220,495)	*5,786,678
Cayman Islands Development Bank	263,362	283,035	166,054	(826,630)	(1,531,128)
Cayman Islands Monetary Authority	5,830,000	3,752,000	5,711,000	13,700,000	21,745,000
Cayman Islands National Museum	5,710	43,324	1,301	8,819	3,218
Cayman Islands National Attractions Authority	166,741	(142,139)	212,305	85,884	737,397
Cayman National Cultural Foundation	(202,683)	3,130,084	(130,981)	(50,737)	(226,022)
Cayman Islands Stock Exchange	1,214,280	2,125,678	2,473,429	1,813,720	1,970,251
Cayman Turtle Conservation and Education Center Limited*	(6,869,768)	(10,915,525)	(9,455,644)	(9,525,021)	*(7,098,259)
Children and Youth Services Foundation	138,722	288,677	148,040	133,953	219,446
Cayman Islands National Insurance Company	(258,939)	10,547,859	1,437,310	10,997,691	8,376,156
Civil Aviation Authority	2,544,142	1,203,822	3,791,150	6,410,346	3,451,798
Health Services Authority	(23,007,023)	(34,010,270)	55,049,275	49,689,542	(82,863,225)
Maritime Authority*	1,808,774	306,918	2,621,494	3,447,398	*519,510
National Drug Council	32,626	108,042	108,374	54,798	11,950
National Gallery of the Cayman Islands	(98,190)	3,178,837	4,641	85,886	138,024
National Housing Development Trust*	(1,326,000)	(1,107,000)	(799,000)	(2,260,000)	*(1,364,942)
National Roads Authority	1,334,751	(1,472,602)	(353,116)	1,577,153	3,702,436
Port Authority of the Cayman Islands	(3,386,707)	(11,962,936)	11,055,068	16,036,821	(3,130,200)
Public Service Pensions Board	(3,513,000)	(3,944,000)	(4,095,000)	(6,820,000)	(6,132,000)
Segregated Insurance Fund of the Cayman Islands	5,666,100	5,442,492	5,609,740	6,135,636	6,595,830
Sister Islands Affordable Housing Development Corporation	(25,000)	-	22,000	-	-
University College of the Cayman Islands	(355,048)	330,738	2,728	(878,542)	(936,318)
Utility Regulation and Competition Office	329,961	716,665	1,137,056	442,924	609,636
Water Authority of the Cayman Islands	2,338,734	623,096	(14,171,445)	10,194,564	(2,459,739)

Notes:

- The Tourism Attractions Board was renamed Cayman Islands National Attractions Authority in 2023.*
- The CAL, CTC, MACI and NHDT audits for 2023 are ongoing; amounts are from the draft financial statements.*
- The 2023 audits for CIAA for 2020, 2021, 2022 and 2023 ongoing. Amounts obtained from the draft financial statements have been used.*

Exhibit 21 Revenue by SAGC, 2019 to 2023

SAGC	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23
Auditors Oversight Authority	318,500	347,925	291,920	272,483	298,525
Cayman Airways Limited*	91,266,022	72,562,192	57,032,714	87,629,312	*104,710,340
Cayman Islands Airport Authority*	41,530,395	*11,712,823	*4,178,762	*26,986,517	*40,746,347
Cayman Islands Development Bank	2,113,098	2,099,985	1,728,929	1,381,801	2,004,865
Cayman Islands Monetary Authority	38,168,000	41,771,000	42,671,000	53,531,000	65,356,000
Cayman Islands National Attractions Authority	2,000,000	1,760,000	2,200,000	1,980,000	4,147,698
Cayman Islands National Museum	1,064,261	980,197	924,342	1,069,467	1,068,969
Cayman National Cultural Foundation	952,269	4,372,114	1,383,744	1,407,606	1,654,755
Cayman Islands Stock Exchange Ltd.	3,165,659	3,931,130	4,597,751	4,034,440	4,221,004
Cayman Turtle Conservation and Education Center Limited*	7,911,852	2,555,467	1,258,488	5,168,134	*7,941,080
Children and Youth Services Foundation	3,184,768	3,214,253	3,274,547	3,233,940	3,271,455
Cayman Islands National Insurance Company	95,736,844	102,056,757	112,964,175	130,619,593	140,901,011
Civil Aviation Authority	8,282,191	7,340,468	8,807,994	8,981,622	9,971,790
Health Services Authority	125,247,545	145,426,102	169,073,757	165,889,431	176,807,029
Maritime Authority of the Cayman Islands	10,343,713	9,569,880	11,037,552	11,210,370	*11,198,321
National Drug Council	689,648	703,472	721,798	741,833	743,035
National Gallery of the Cayman Islands	1,236,437	4,385,175	1,117,480	1,426,034	1,596,453
National Housing Development Trust*	2,196,000	1,115,000	921,000	1,854,000	*4,014,000
National Roads Authority	20,953,909	20,757,037	33,409,550	30,492,593	39,820,238
Port Authority of the Cayman Islands	26,569,405	21,853,149	22,280,219	23,991,007	27,583,836
Public Service Pensions Board	184,000	259,000	308,000	63,000	585,000
Segregated Insurance Fund of the Cayman Islands	5,675,100	5,451,492	5,617,740	6,143,636	6,603,830
Sister Islands Affordable Housing Development Corporation	63,000	40,000	68,000	45,000	40,000
Cayman Islands National Attractions Authority	3,655,201	2,372,389	2,809,614	2,811,846	4,147,698
University College of the Cayman Islands	9,422,686	10,942,742	10,912,407	10,653,258	14,221,775
Utility Regulation and Competition Office	5,341,502	4,773,525	5,783,086	5,967,977	6,494,605
Water Authority of the Cayman Islands	34,979,205	33,063,973	34,172,955	37,151,471	40,138,936

Notes:

1. The Tourism Attractions Board was renamed Cayman Islands National Attractions Authority in 2023.
2. The CAL, CTC, MACI and NHDT audits for 2023 are ongoing; amounts are from the draft financial statements.
3. The 2023 audits for CIAA for 2020, 2021, 2022 and 2022 ongoing. Amounts obtained from the draft financial statements have been used

Exhibit 22: Expenses by SAGC, 2019 to 2023

SAGC	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23
Auditors Oversight Authority	335,606	292,349	291,920	272,483	298,525
Cayman Airways Limited*	100,563,880	73,114,877	62,051,980	100,812,266	*116,154,153
Cayman Islands Airport Authority*	33,554,678	*33,007,240	*32,715,643	*30,167,696	*34,959,670
Cayman Islands Development Bank	2,470,424	2,179,492	2,057,875	2,208,431	2,501,993
Cayman Islands Monetary Authority	30,624,000	36,022,000	40,623,000	44,820,000	46,635,000
Cayman Islands National Museum	1,058,551	936,873	923,784	1,060,648	1,065,751
Cayman Islands National Attractions Authority	3,488,460	2,514,528	2,597,309	2,725,961	3,410,301
Cayman National Cultural Foundation	1,154,952	1,242,030	1,514,725	1,458,343	1,880,777
Cayman Islands Stock Exchange Ltd.	1,951,379	1,805,452	2,124,322	2,220,720	2,250,753
Cayman Turtle Conservation and Education Center Limited*	13,710,305	16,318,780	10,443,516	13,582,163	*15,039,339
Children and Youth Services Foundation	3,046,046	2,925,576	3,126,507	3,099,987	3,058,070
Cayman Islands National Insurance Company	95,995,783	91,508,898	111,526,865	119,621,902	135,264,684
Civil Aviation Authority	5,037,049	4,980,646	5,064,843	5,952,276	7,226,992
Health Services Authority	128,227,568	144,214,372	161,011,245	171,063,908	183,899,254
Maritime Authority of the Cayman Islands*	9,383,939	16,318,780	10,354,058	9,156,972	*7,145,639
National Drug Council	657,022	595,430	613,424	687,035	731,085
National Gallery of the Cayman Islands	1,334,627	1,206,338	1,112,839	1,340,148	1,458,429
National Housing Development Trust*	1,892,000	1,831,000	1,607,000	2,712,000	*2,445,601
National Roads Authority	19,619,158	22,229,639	10,850,259	10,970,021	11,547,289
Public Service Pensions Board	3,697,000	4,203,000	4,403,000	6,883,000	6,716,000
Port Authority of the Cayman Islands	29,956,112	33,816,085	20,897,508	25,244,840	26,722,146
Segregated Insurance Fund of the Cayman Islands	9,000	9,000	8,000	8,000	8,000
Sister Islands Affordable Housing Development Corporation	88,000	40,000	46,000	45,000	40,000
University College of the Cayman Islands	9,777,734	10,612,004	10,909,679	11,346,830	14,062,147
Utility Regulation and Competition Office	4,403,564	4,624,837	4,646,030	5,525,053	5,884,969
Water Authority of the Cayman Islands	27,703,895	29,041,710	63,487,879	37,362,157	47,001,766

Notes:

1. The Tourism Attractions Board was renamed Cayman Islands National Attractions Authority in 2023.
2. The CAL, CTC, MACI and NHDT audits for 2023 are ongoing; amounts are from the draft financial statements.
3. The 2023 audits for CIAA for 2020, 2021, 2022 and 2022 ongoing. Amounts obtained from the draft financial statements have been used.

APPENDIX B – FINANCIAL TREND ANALYSIS – MINISTRIES, PORTFOLIOS AND OFFICES

103. In this appendix, we report a trend analysis of the financial performance of each Ministry, Portfolio, and Office (core government entity) for the five years 2019 to 2023. For entities with ongoing audits, we have used budget numbers or, where available, numbers obtained from financial statements submitted for audit. In addition, due to the re-organisation of ministries that occurred after the 2021 election, the composition of some ministries is not comparable for all years presented.

104. Exhibit 23 provides details of each entity reported surplus or deficit for the five years from 2019 to 2023. Exhibit 24 shows revenue by source for each entity for 2023 and Exhibit 25 details the reported expenditure.

Exhibit 23: Surplus/(Deficit) by Ministry, Portfolio and Office, 2019 to 2023

Core government entity	2019	2020	2021	2022	2023
	\$	\$	\$	\$	\$
Cabinet Office	309,000	203,000	984,000	482,000	2,058,000
Cayman Islands Parliament	N/A	N/A	249,000	446,000	252,000
Judicial Administration	24,000	233,000	231,000	390,000	260,000
Ministry of Border Control and Labour	7,983,000	3,227,000	643,000	15,545,000	8,512,000
Ministry of District Administration and Lands	N/A	N/A	178,000	11,000	0
Ministry of Education	667,000	696,000	7,390,000	0	0
Ministry of Finance & Economic Development	308,000	3,000	0	0	0
Ministry of Financial Services and Commerce	N/A	N/A	(437,000)	73,000	0
Ministry of Health and Wellness*	*304,000	*422,000	*395,000	*1,914,000	*1,914,000
Ministry of Home Affairs	N/A	N/A	906,000	(1,560,000)	(1,263,000)
Ministry of Investments, Innovation and Social Development	N/A	N/A	264,000	4,157,000	4,954,000
Ministry of Planning, Agriculture, Housing, Infrastructure, Transport & Development*	(169,000)	160,000	(1,802,000)	171,000	*(1,478,000)
Ministry of Tourism & Ports	895,000	908,000	2,015,000	565,000	1,247,000
Ministry of Sustainability and Climate Resiliency	N/A	N/A	513,000	501,000	1,151,000
Ministry of Youth, Sports, Culture and Heritage	N/A	N/A	44,000	(92,000)	95,000
Office of the Commissioner of Police	N/A	(137,000)	(394,000)	34,000	100,000
Office of the Director of Public Prosecutions	232,000	466,000	226,000	0	0
Office of the Ombudsman	17,000	109,000	112,000	0	190,000
Portfolio of the Civil Service	953,000	2,179,000	2,023,000	3,847,000	3,424,000
Portfolio of Legal Affairs	524,000	2,337,000	1,834,000	0	0

Notes:

1. The Office of the Commissioner of Police was established in 2020.
2. The MHW audits for 2023, 2022, 2021, 2020, and 2019 are ongoing; amounts are from the budget.
3. The 2023 audit for MPAHITD is ongoing. Amounts obtained from the draft financial statements have been used.
4. Cayman Islands Parliament was established on 1 January 2021.
5. The Ministry of Home Affairs, Ministry of Investment, Innovation and Social Development, Ministry of District Administration and Lands, Ministry of Sustainability & Climate Resiliency and the Ministry of Youth, Sports, Culture and Heritage were established after the general election on 1 July 2021.

Exhibit 24: Revenue type by Ministry, Portfolio and Office, 2023

Entity	Outputs to Cabinet	Other Sources	Total Revenue	% Revenue Cabinet Funded
	(\$'000)	(\$'000)	(\$'000)	
Cabinet Office	12,721	1,819	14,540	87%
Cayman Islands Parliament	2,775	1	2,776	100%
Judicial Administration	12,303	23	12,327	99%
Ministry of Border Control and Labour	42,294	16,897	59,191	71%
Ministry of District Administration and Lands	18,035	1,848	19,883	91%
Ministry of Education	125,647	5,682	131,329	96%
Ministry of Finance and Economic Development	15,684	2,347	18,031	87%
Ministry of Financial Services and Commerce	16,713	4,750	21,463	78%
Ministry of Health and Wellness*	*26,589	*4,875	*31,464	*85%
Ministry of Home Affairs	53,544	543	54,087	99%
Ministry of Investments, Innovation and Social Development	44,421	378	44,799	99%
Ministry of Planning, Agriculture, Housing, Infrastructure, Transport & Development*	*37,422	*9,650	*47,072	*79%
Ministry of Tourism and Ports	26,353	42	26,395	100%
Ministry of Sustainability and Climate Resiliency	16,462	629	17,091	99%
Ministry of Youth, Sports, Culture and Heritage	7,912	95	8,007	99%
Office of the Commissioner of Police	55,766	1,645	57,411	97%
Office of the Director of Public Prosecution	4,958	0	4,958	100%
Office of the Ombudsman	2,290	0	2,290	100%
Portfolio of the Civil Service	16,137	3,721	19,858	81%
Portfolio of Legal Affairs	8,248	741	8,989	92%
Total	554,917	60,076	614,993	90%

Notes:

1. The MHW audits for 2023, 2022, 2021, 2020, and 2019 are ongoing; amounts are from the draft financial statements.
2. The 2023 audit for MPAHITD is ongoing. Amounts obtained from the draft financial statements have been used.

Exhibit 25: Expenses by Ministry, Portfolio and Office, 2019 to 2023

Entity	2019	2020	2021	2022	2023
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Cabinet Office	9,420	9,819	10,991	12,809	12,482
Cayman Islands Parliament	N/A	N/A	1,979	2,287	2,524
Judicial Administration	7,912	8,520	10,158	11,170	12,067
Ministry of Border Control and Labour	81,753	40,382	45,976	50,288	50,679
Ministry of District Administration and Lands	N/A	N/A	8,768	17,890	19,833
Ministry of Education	112,165	116,061	113,722	117,030	131,329
Ministry of Finance and Economic Development	15,698	14,633	17,271	16,590	18,031
Ministry of Financial Services and Commerce	N/A	N/A	8,059	18,064	21,463
Ministry of Health and Wellness*	*35,707	*42,346	*44,859	*44,859	*44,859
Ministry of Home Affairs	N/A	N/A	25,144	51,847	55,350
Ministry of Investments, Innovation and Social Development	N/A	N/A	17,117	36,038	39,845
Ministry of Planning, Agriculture, Housing, Infrastructure, Transport & Development*	43,640	44,825	48,789	47,337	*47,337
Ministry of Tourism and Ports	35,688	29,239	26,980	25,042	25,148
Ministry of Sustainability and Climate Resiliency	N/A	N/A	4,856	12,199	15,940
Ministry of Youth, Sports, Culture and Heritage	N/A	N/A	3,303	6,777	7,912
Office of the Commissioner of Police	N/A	48,057	51,820	52,619	57,311
Office of the Director of Public Prosecution	3,760	3,888	4,186	4,523	4,958
Office of the Ombudsman	1,726	2,170	2,167	1,898	2,100
Portfolio of the Civil Service	11,270	12,926	14,388	14,998	16,377
Portfolio of Legal Affairs	7,213	7,246	8,031	8,446	8,989

Notes:

1. The Office of the Commissioner of Police was established in 2020.
2. The MHW audits for 2023, 2022, 2021, 2020, and 2019 are ongoing; amounts are from the draft financial statements.
3. The 2023 audit for MPAHITD is ongoing. Amounts obtained from the draft financial statements have been used.
4. The Cayman Islands Parliament was established on 1 January 2021.
5. The Ministry of Home Affairs, Ministry of Investment, Innovation and Social Development, Ministry of District Administration and Lands, Ministry of Sustainability & Climate Resilience and the Ministry of Youth, Sports, Culture and Heritage were established after the general elections on 1 July 2021.
6. The Ministry of Community Affairs and the Ministry of International Trade, Investment, Maritime and Aviation were closed after the general election on 30 June 2021.

APPENDIX C – INTERNAL CONTROL DEFICIENCIES

As of 30 September 2024, we had finalised 26 ISA 260 reports. We did not raise any significant control deficiencies for the following five (5) public bodies – CAYS, CINICO, CSX, NDC and SIF. This appendix summarises the internal control deficiencies reported by 21 public bodies. Five public bodies had no reportable issues.

As at the same date, the OAG had issued the ISA 260 reports for 13 public bodies, but the management responses were outstanding. These included CAB, CIMA, JUD, MBCL, MHA, MUS, NGCI, MSCR, PLA, PSPB, OCP, OMB, and WAC. The ISA 260 reports identified some similar issues to those identified below, including non-compliance with Acts and Regulations, value for money, and financial management and reporting.

INTERNAL CONTROL DEFICIENCY	PUBLIC BODY																				
	AOA	CAA	CIDB	CNCF	MTP	MFED	UCCI	DPP	PACI	CIP	POCS	SIAHDC	HSA	MOE	NRA	URCO	CAYS	MDAL	MIISD	MFSC	CINAA
Governance																					
Board members serving without an enforced term of appointment	√											√									
Infrequent governance meetings			√																		√
The Board approved loans after the fact.			√																		
Lack of Notice of Interests and Notice of Interests were only completed after year-end															√	√	√				√

INTERNAL CONTROL DEFICIENCY	PUBLIC BODY																				
	AOA	CAA	CIDB	CNCF	MTP	MFED	UCCI	DPP	PACI	CIP	PoCS	SIHDC	HSA	MOE	NRA	URGO	CAYS	MIDAL	MIISD	MFSC	CINAA
Non-compliance with Acts and Regulations																					
Non-compliance with Procurement Act (2023) and Procurement Regulations		√		√	√		√	√	√					√	√	√			√	√	√
No contract for a service provider											√										
Non-compliance with the Personnel Regulations (2022 Revision) - Acting and Duty allowances						√			√	√	√			√				√			
Non-Compliance with PAA 47 – Standardisation of salaries				√					√								√				
Non-compliance with Parliamentary Pensions Act Sec (2016 Revision) 18 (1)										√											
Non-compliance with the									√	√								√			

INTERNAL CONTROL DEFICIENCY	PUBLIC BODY																				
	AOA	CAA	CIDB	CNCF	MTP	MFED	UCCI	DPP	PACI	CIP	PoCS	SIHDC	HSA	MOE	NRA	URGO	CAYS	MIDAL	MIISD	MFSC	CINAA
Parliament Management Act – Late submission of annual report for review by OAG																					
Value for money																					
Value for money/non-delivery of outputs during the year										√		√									
My-vista system development is behind schedule and over budget.											√										
Excessive Christmas party expenses									√												
Under collection of regulatory fees																√					
Understaffing in regulatory areas																√					
Delays in the issuance of fuel permit licenses																√					
Delayed publishing of the Annual Plan for 2024.																√					

INTERNAL CONTROL DEFICIENCY	PUBLIC BODY																				
	AOA	CAA	CIDB	CNCF	MTP	MFED	UCCI	DPP	PACI	CIP	POCS	SIHDC	HSA	MOE	NRA	URGO	CAYS	MIDAL	MIISD	MFSC	CINAA
No assessment of actual outputs vs. budgeted outputs																√					
Financial Management																					
High delinquency rate of loans			√																		
Inadequate collateral assets monitoring			√																		
The current Portfolio mix is not at the recommended level			√																		
Long outstanding debt owed to CIG for insurance premiums				√																	
Long outstanding receivable balance						√	√													√	
Non-repayment of surplus					√																
The accounting system unable to track accounts receivable outstanding between 90 and 180 days							√														

INTERNAL CONTROL DEFICIENCY	PUBLIC BODY																				
	AOA	CAA	CIDB	CNCF	MTP	MFED	UCCI	DPP	PACI	CIP	POCS	SIHDC	HSA	MOE	NRA	URGO	CAYS	MIDAL	MIISD	MFSC	CINAA
Uncleared suspense account balances									√												
Executive transactions recorded in entity accounts														√							
Delays in reviewing and authorising bank reconciliations																	√				
Insufficient monitoring of starters and leavers' healthcare insurance																	√				
Improvements needed on fixed assets register				√																	
New vehicles in Cayman Brac are not insured and licensed.																		√			
Lack of policy on funeral expenses									√												
Errors in recording the value of inventory balance due to									√												

INTERNAL CONTROL DEFICIENCY	PUBLIC BODY																				
	AOA	CAA	CIDB	CNGF	MTP	MFED	UCCI	DPP	PACI	CIP	POCS	SIHDC	HSA	MOE	NRA	URGO	CAYS	MIDAL	MIISD	MFSC	CINAA
currency translation.																					
Exceptions around night operations remuneration.									√												
Deficiencies in time recording for wages employees.									√												
Inadequate oversight of payroll service organisations.					√																
Lack of acknowledgement of donations received																	√				
Incorrect accounting treatment for donations																			√		
Lack of annual review of AR and bad debt provision rates													√								
The year-end inventory count is too manual and prone to error.													√								

INTERNAL CONTROL DEFICIENCY	PUBLIC BODY																				
	AOA	CAA	CIDB	CNCF	MTP	MFED	UCCI	DPP	PACI	ClP	POCS	SIHDC	HSA	MOE	NRA	URCO	CAYS	MIDAL	MIISD	MFSC	CINAA
Lack of timely application and review of unapplied receipts													√								
Lack of formal annual contract review					√																
Expired lease agreements								√													
Findings from a 2022 internal audit report yet to be implemented							√														
Information Technology																					
No formal IT strategy and IT risk assessment															√	√					
Lack of SOC II reports and bridge letters																√					
Insufficient strategic oversight of IT			√																		
No backup and change management policy	√																				
A webpage for payments was																					√

INTERNAL CONTROL DEFICIENCY	PUBLIC BODY																				
	AOA	CAA	CIDB	CNGCF	MTP	MFED	UCCI	DPP	PACI	CIP	POCS	SIHDC	HSA	MOE	NRA	URGO	CAYS	MIDAL	MIISD	MFSC	CINAA
found on the Authority's website																					
Excessive number of users with administrator rights																v					
No password policy for Accounting Software															v						
Obsolete version of Dynamics RMS																					v

APPENDIX D – NEW AND REVISED ACCOUNTING STANDARDS FOR 2023 AND FUTURE PERIODS

CHANGES IMPACTING THE 2023 FINANCIAL STATEMENTS

105. **IPSAS 41 – Financial instruments.** IPSAS 41 provides users of financial statements with more useful information than *IPSAS 29 - Financial Instruments: Recognition and Measurement* by:

- Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Applying an improved hedge accounting model that broadens the hedging arrangements in the scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. This standard came into effect for annual periods beginning 1 January 2023.

106. **IPSAS 42 – Social Benefits.** IPSAS 42 provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. Specific examples include state retirement benefits, disability benefits, income support and unemployment benefits. The new standard requires an entity to recognise an expense and a liability for the next social benefit payment. This standard came into effect for annual periods beginning 1 January 2023.

107. **Amendments to IFRS 17 – Insurance contracts.** The amendments address concerns and implementation challenges identified after *IFRS 17 - Insurance Contracts* were published in 2017. This standard came into effect for annual periods beginning 1 January 2023.

108. **Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction.** The amendments clarify that the initial recognition exemption does not apply to transactions with equal amounts of deductible and taxable temporary differences arising on initial recognition. This standard came into effect for annual periods beginning 1 January 2023.

CHANGES IMPACTING FUTURE PERIOD FINANCIAL STATEMENTS

CHANGES TO STANDARDS FOR 2024

109. **Amendments to IAS 1 – Presentation of Financial Statements: Classification of liabilities as Current or Non-Current.** The amendments promote consistency in applying the requirements by helping

companies determine whether debt and other liabilities with an uncertain settlement date in the statement of financial position should be classified as current (due or potentially due to be settled within one year) or non-current. The amendment also clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the liability classification. This will come into effect for annual periods beginning 1 January 2024.

CHANGES TO STANDARDS FROM 2025 AND BEYOND

110. **Amendments to IAS 1 – Presentation of Financial Statements: Classification of liabilities as Current or Non-Current.** The amendments promote consistency in applying the requirements by helping companies determine whether debt and other liabilities with an uncertain settlement date in the statement of financial position should be classified as current (due or potentially due to be settled within one year) or non-current. The amendment also clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the liability classification. This will come into effect for annual periods beginning 1 January 2024.
111. **IPSAS 43 – Leases.** IPSAS 43 is based on the *International Financial Reporting Standard (IFRS) 16, Leases*, developed by the International Accounting Standards Board (IASB). For lessees, IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to the ownership model in *IPSAS 13, Leases*. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13. This standard comes into effect on 1 January 2025.
112. **IPSAS 44 - Non-current assets held for sale and discontinued operations.** IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:
- Measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and
 - Presented separately in the statement of financial position, and the results of discontinued operations are to be shown separately in the statement of financial performance. This standard comes into effect on 1 January 2025.
113. **IPSAS 45 – Property, plant and equipment.** IPSAS 45 replaces *IPSAS 17, Property, Plant, and Equipment*, by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognised and measured. This standard comes into effect on 1 January 2025, with earlier application permitted.
114. **IPSAS 46 - Measurement.** IPSAS 46 provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. It brings in generic guidance on fair value for the first time and introduces current operational value, a public sector-specific current value measurement basis addressing constituents' views that an alternative current value

measurement basis to fair value is needed for certain public sector assets. This standard comes into effect on 1 January 2025, with earlier application permitted.

115. **IPSAS 47 - Revenue.** IPSAS 47 is a single source for revenue accounting guidance in the public sector, presenting two accounting models based on a binding arrangement. This new Standard provides focused guidance to help public bodies apply the principles to account for public sector revenue transactions. The effective date for this standard will be for periods beginning 1 January 2026.

116. **IPSAS 48 - Transfer Expenses.** IPSAS 48 provides accounting guidance for transfer expenses, which account for a significant portion of expenditures for many public sector entities. This new Standard fills a significant gap in the IPSASB's literature and guides to help entities account for public sector transfer expense transactions. The effective date for this standard will be for periods beginning 1 January 2026.

APPENDIX E – STATUS OF AUDITS: 2019 TO 2023

Ministries, Portfolios and Offices	2019			2020			2021			2022			2023		
	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	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	24-Apr-20	Unqualified		28-Apr-21	Unqualified		30-Apr-22	Unqualified with Emphasis of		29-Apr-23	Unqualified		30-Apr-24	Unqualified	
Office of the Director of Public Prosecutions	30-Apr-20	Unqualified	7-Dec-20	30-Apr-21	Unqualified	15-Jul-21	29-Apr-22	Unqualified	10-Jun-22	30-Apr-23	Unqualified	19-Sep-23	10-Apr-24	Unqualified	25-Jul-24
Information Commissioner's Office	N/A			N/A			N/A			N/A			N/A		
Judicial Administration	30-Apr-20	Unqualified		30-Apr-21	Unqualified		30-Apr-22	Unqualified with Emphasis of Matter		30-Apr-23	Unqualified	15-Dec-23	29-Apr-24	Unqualified	25-Jul-24
Ministry of Planning, Agriculture, Housing and Infrastructure	30-Apr-20	Unqualified	14-Oct-20	22-Apr-21	Unqualified	15-Jul-21	30-Apr-22	Unqualified with Emphasis of Matter	7-Oct-22	9-Nov-23	Unqualified	7-Oct-24	In progress		
Ministry of Community Affairs	20-Apr-20	Unqualified	14-Jul-21	19-Apr-21	Unqualified	14-Jul-21	30-Jul-22	Unqualified with Emphasis of Matter	14-Dec-22	N/A			N/A		
Ministry of Tourism & Ports	30-Apr-20	Unqualified	29-Jul-20	9-Apr-21	Unqualified	8-Dec-21	29-Apr-22	Unqualified with Emphasis of Matter	7-Oct-22	30-Apr-23	Unqualified with Emphasis of Matter and Other Matter	21-Sep-23	30-Apr-24	Unqualified with Emphasis of Matter and Other Matter	23-Jul-24
Ministry of Education	21-Jul-20	Unqualified	10-Dec-20	21-Apr-21	Unqualified	15-Jul-21	28-Apr-22	Unqualified with Emphasis of Matter	7-Oct-22	27-Mar-23	Unqualified	7-Jun-23	27-Mar-24	Unqualified	22-Jul-24
Ministry of Border Control and Labour	3-Sep-20	Unqualified	21-Jul-21	23-Apr-21	Unqualified	21-Jul-21	20-Apr-22	Unqualified with Emphasis of Matter	27-Apr-23	30-Apr-23	Unqualified	19-Sep-23	26-Apr-24	Unqualified	23-Jul-24
Ministry of Finance and Economic Development	6-Mar-20	Unqualified	29-Jun-20	10-Mar-21	Unqualified	15-Jul-21	10-Mar-22	Unqualified	9-Jun-22	14-Mar-23	Unqualified	19-Sep-23	14-Mar-24	Unqualified	22-Jul-24
Ministry of Financial Services and Home Affairs	28-Apr-20	Unqualified	14-Oct-20	30-Jul-21	Unqualified	8-Jun-22	16-Nov-22	Unqualified with Emphasis of Matter		N/A			N/A		
Ministry of Health and Wellness	In progress			In progress			In progress			In progress			In progress		
Ministry of International Trade, Investment, Maritime & Aviation	30-Apr-20	Unqualified	11-Dec-20	19-Apr-21	Unqualified	14-Jul-21	29-Apr-22	Unqualified with Emphasis of Matter	14-Dec-22	N/A			N/A		

Ministries, Portfolios and Offices	2019			2020			2021			2022			2023		
	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	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			5-Aug-22	Unqualified with Emphasis of Matter	20-Sep-23	30-Apr-23	Unqualified	26-Feb-24	30-Apr-24	Unqualified	24-Jul-24
Ministry of District Administration and Lands	N/A			N/A			7-Jul-22	Unqualified with Emphasis of		30-Apr-23	Unqualified with Emphasis of	15-Dec-23	30-Apr-24	Unqualified with Emphasis of Matter	22-Jul-24
Ministry of Home Affairs	N/A			N/A			30-Aug-22	Unqualified with Emphasis of Matter	26-Feb-24	30-Apr-23	Unqualified with Emphasis of Matter	26-Feb-24	27-Apr-24	Unqualified with Emphasis of Matter	7-Oct-24
Ministry of Youth, Sports, Culture and Heritage	N/A			N/A			30-Apr-22	Unqualified	14-Dec-22	17-Apr-23	Unqualified	19-Sep-23	4-Apr-24	Unqualified	23-Jul-24
Ministry of Financial Services and Commerce	N/A			N/A			17-Apr-23	Unqualified	15-Dec-23	30-Apr-23	Unqualified	15-Dec-23	15-Mar-24	Unqualified	
Ministry of Investment, Innovation and Social Development	N/A			N/A			In progress			30-Apr-23	Unqualified with Emphasis of Matter	8-Jun-23	30-Apr-24	Unqualified with Emphasis of Matter	22-Jul-24
Cayman Islands Parliament	N/A			N/A			26-Apr-22	Unqualified with Emphasis of Matter		9-Mar-23	Unqualified		25-Apr-24	Unqualified	
Office of the Complaints Commissioner	N/A			N/A			N/A			N/A			N/A		
Office of the Ombudsman	30-Apr-20	Unqualified	29-Jul-20	30-Apr-21	Unqualified	14-Jul-21	27-Apr-22	Unqualified	7-Dec-22	30-Apr-23	Unqualified	20-Sep-23	10-Apr-24	Unqualified	24-Jul-24
Portfolio of Legal Affairs	30-Apr-20	Unqualified	14-Oct-20	30-Apr-21	Unqualified with Emphasis of Matter	15-Jul-21	30-Apr-22	Unqualified	7-Oct-22	30-Apr-23	Unqualified	20-Sep-23	20-Apr-24	Unqualified	25-Jul-24
Portfolio of the Civil Service	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	30-Apr-23	Unqualified	8-Jun-23	25-Apr-24	Unqualified	25-Jul-24
Office of the Commissioner of Police	N/A			13-Apr-21	Unqualified	10-Jun-22	31-Mar-22	Unqualified	10-Jun-22	31-Mar-23	Unqualified	8-Jun-23	15-Mar-24	Unqualified	
Entire Public Sector	5-Jul-22	Adverse		In progress			In progress			In progress			In progress		

Notes:

1. The 2023 annual reports for MHA and PARL were tabled in October 2024 after the cut-off date for this report (30 September 2024).
2. The 2022 annual report for MPAHI was tabled in October 2024 after the cut-off date for this report (30 September 2024).
3. In January 2020, the Office of the Commissioner of Police was established.
4. In January 2021, the Cayman Islands Parliament was established.
5. The annual reports for the following entities for 2015-16 have not been tabled in Parliament: Cabinet Office (Audit completed: 28 February 2018), Ministry of Community Affairs (Audit completed: 15 September 2017) and Ministry of Health and Wellness (Audit completed: 3 August 2018)
6. The annual reports for the following entities for 2016-17 have not been tabled in Parliament: Ministry of Border Control and Labour (Audit completed: 30 April 2018) and Ministry of Health and Wellness (Audit completed: 16 December 2022).

2019				2020			2021			2022			2023		
SAGC	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	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	12-Mar-20	Unqualified	1-Jul-20	31-Mar-21	Unqualified	15-Jul-21	25-Mar-22	Unqualified	9-Jun-22	27-Mar-23	Unqualified	15-Dec-23	22-Mar-24	Unqualified	22-Jul-24
Cayman Airways Ltd	4-Jun-21	Unqualified with Emphasis of Matter	8-Dec-21	14-Mar-22	Unqualified	14-Dec-22	26-Aug-22	Unqualified with Emphasis of Matter	14-Dec-22	30-Apr-23	Unqualified with Emphasis on Matter	20-Sep-23	In progress		
Cayman Islands Airports Authority	15-May-24	Unqualified	23-Jul-24	In progress			In progress			In progress			In progress		
Cayman Islands Development Bank	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	8-Dec-22	30-Apr-23	Unqualified with Emphasis on Matter	20-Sep-23	30-Apr-24	Unqualified with Emphasis on Matter	22-Jul-24
Cayman Islands Monetary Authority	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	7-Oct-22	30-Apr-23	Unqualified with Emphasis on Matter	15-Dec-23	30-Apr-24	Unqualified with Emphasis on Matter	22-Jul-24
Cayman Islands National Insurance Company	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	28-Apr-23	Unqualified	20-Sep-23	26-Apr-24	Unqualified	22-Jul-24
Cayman Islands National Museum	30-Apr-20	Unqualified	15-Jul-21	26-Apr-21	Unqualified	8-Dec-21	6-Apr-22	Unqualified	7-Dec-22	1-May-23	Unqualified	19-Sep-23	15-Apr-24	Unqualified	

SAGC	2019			2020			2021			2022			2022		
	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	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	30-Apr-20	Unqualified	1-Jul-20	30-Apr-21	Unqualified	15-Jul-21	29-Apr-22	Unqualified	7-Oct-22	28-Apr-23	Unqualified	15-Dec-23	29-Apr-24	Unqualified	10/7/2024*
Cayman National Cultural Foundation	22-Apr-20	Unqualified	8-Dec-21	29-Apr-21	Unqualified	8-Dec-21	13-May-22	Unqualified	7-Dec-22	28-Apr-23	Unqualified with Emphasis on Matter	19-Sep-23	22-Apr-24	Unqualified with Emphasis on Matter	
Cayman Turtle Conservation and Education Center Limited	14-May-20	Unqualified with Emphasis of Matter and Other Matter	23-Oct-20	23-Aug-23	Unqualified with Emphasis of Matter and Material Uncertainty Related to Going Concern	23-Jul-24	28-Mar-24	Unqualified with Emphasis of Matter and Material Uncertainty Related to Going Concern	23-Jul-24	17-Oct-24	Unqualified with Emphasis on Matter		In progress		
Children & Youth Services Foundation	29-Jun-20	Unqualified	11-Dec-20	30-Apr-21	Unqualified	14-Jul-21	30-Apr-22	Unqualified	27-Apr-23	29-Apr-23	Unqualified	15-Dec-23	30-Apr-24	Unqualified	22-Jul-24
Civil Aviation Authority	22-May-20	Unqualified	7-Dec-20	30-Apr-21	Unqualified	8-Jun-22	20-May-22	Unqualified	7-Oct-22	30-Apr-23	Unqualified	15-Dec-23	30-Apr-24	Unqualified	7-Oct-24
Health Services Authority	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	7-Oct-22	30-Apr-23	Unqualified	26-Feb-24	30-Apr-24	Unqualified	7-Oct-24

SAGC	2019			2020			2021			2022			2023		
	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	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
Maritime Authority of the Cayman Islands	6-Aug-20	Unqualified	7-Dec-20	15-Dec-21	Unqualified	8-Jun-22	29-Jul-22	Unqualified	7-Oct-22	27-Sep-23	Unqualified	15-Dec-23	In progress		
National Drug Council	30-Apr-20	Unqualified	21-Jul-21	30-Apr-21	Unqualified	8-Jun-22	29-Apr-22	Unqualified		29-Apr-23	Unqualified	26-Feb-24	29-Apr-24	Unqualified	23-Jul-24
National Gallery of the Cayman Islands	29-Apr-20	Unqualified	11-Dec-20	30-Apr-21	Unqualified	8-Dec-21	29-Apr-22	Unqualified with Other Matter	7-Dec-22	30-Apr-23	Unqualified	19-Sep-23	30-Apr-24	Unqualified	
National Housing and Development Trust	4-Feb-21	Unqualified	9-Oct-24	30-Apr-21	Unqualified	9-Oct-24	30-Apr-22	Unqualified	9-Oct-24	6-Sep-24	Unqualified		In progress		
National Roads Authority	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		11-Apr-23	Unqualified		11-Apr-24	Unqualified	
Port Authority of the Cayman Islands	13-Nov-20	Unqualified with Emphasis of Matter	15-Jul-21	1-Apr-21	Unqualified	8-Dec-21	5-Apr-22	Unqualified	14-Dec-22	30-Apr-23	Unqualified with Emphasis on Matter	20-Sep-23	30-Apr-24	Unqualified with Emphasis on Matter	

SAGC	2019			2020			2021			2022			2023		
	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	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	29-Apr-20	Unqualified with Emphasis of Matter	1-Jul-20	29-Apr-21	Unqualified	21-Jul-21	27-Jul-22	Unqualified	8-Dec-22	16-Aug-23	Unqualified	15-Dec-23	30-Apr-24	Unqualified	
Segregated Insurance Fund	13-Mar-20	Unqualified	14-Jul-21	1-Apr-21	Unqualified		13-Apr-22	Unqualified	27-Feb-24	11-Apr-23	Unqualified	23-Jul-24	22-Apr-24	Unqualified	
Sister Islands Affordable Housing Development Corporation	13-Mar-20	Unqualified	29-Jul-20	29-Mar-21	Unqualified	15-Jul-21	19-Apr-22	Unqualified with Emphasis of Matter	27-Apr-23	24-Apr-23	Unqualified with Emphasis of Matter	15-Dec-23	24-Apr-24	Unqualified with Emphasis of Matter	22-Jul-24
Tourism Attractions Board	29-Apr-20	Unqualified	10-Jun-22	30-Apr-21	Unqualified	7-Dec-22	30-Apr-22	Unqualified with Emphasis of Matter	14-Dec-22	14-Apr-23	Unqualified	20-Sep-23	30-Apr-24	Unqualified	
University College of the Cayman Islands	30-Apr-20	Unqualified	10-Dec-20	11-Oct-21	Qualified	8-Jun-22	30-Apr-22	Unqualified with Emphasis of Matter	14-Dec-22	13-Dec-23	Unqualified	22-Jul-24	29-Apr-24	Unqualified with Emphasis of Matter	22-Jul-24
Utilities Regulation and Competition Office	21-Jul-21	Unqualified	27-Apr-23	30-Nov-21	Unqualified	27-Apr-23	30-Apr-22	Unqualified	8-Jun-23	20-Apr-23	Unqualified	26-Feb-24	24-Apr-24	Unqualified	
Water Authority of the Cayman Islands	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	7-Oct-22	9-Jun-23	Unqualified	15-Dec-23	30-Apr-24	Unqualified	22-Jul-24

Notes:

- The annual reports for the following SAGCs for 2015-16 have not been tabled in Parliament: Children & Youth Services Foundation (audit completed: 30 April 2018), National Housing and Development Trust (audit completed: 30 April 2018).
- The 2023 annual reports for CAA, CISX and HSA were tabled in October 2024 after the cut-off date for this report (30 September 2024).
- The 2015-16, 2016-17, 2018, 2019, 2020 and 2021 annual reports for NHDT were tabled in October 2024 after the cut-off date for this report (30 September 2024).

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Complaints

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Freedom of Information

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NOVEMBER 2024