

FINANCIAL REPORTING OF THE CAYMAN ISLANDS GOVERNMENT



OCTOBER 2026



**To help the public
service spend wisely**

CONTENTS

Executive summary 1

Introduction 7

Financial results in 2025 11

Key audit matters for 2025 35

Status of audits and financial reporting 56

Conclusion 69

Appendix A – Financial Trend Analysis: Statutory Authorities and Government Companies.....71

Appendix B – Financial Trend Analysis: Ministries, Portfolios and Offices 78

Appendix C – Internal Control Deficiencies.....84

Appendix D – New and Revised Accounting Standards for 2025 and Future Periods 86

KEY FACTS



37

Audits completed of public bodies' 2025 financial statements (of 48)



31

Unqualified audit opinions issued for 2025 financial statements



20

Total outstanding audits (18 public body audits and 2 entire public sector audits backlogged)



\$21 million

Combined operating surplus/deficit in 2025 (\$7 million deficit among statutory authorities and government companies (SAGCs), \$28 million surplus among core government entities)



10

Number of audited entities with operating deficits in 2025 (all SAGCs)



\$981 million

Total 2025 revenue audited (39 per cent of \$2.5 billion)



82%

Percentage of SAGC revenue in 2025 from fees and charges



8

SAGCs are heavily reliant on government funding (that is, it is more than 50 per cent of their revenue)



\$948 million

Total 2025 expenditure audited (61 per cent of \$1.6 billion)



315

Number of adjustments made to financial statements after audit submission



\$172.5 million

Total value of adjustments made to 2025 financial statements



\$507 million

Total value of SAGC long-term obligations



165

Significant issues identified and reported in 2025



44%

Percentage of significant issues identified and reported in 2025 that are recurring



30

Annual reports for 2025 tabled in Parliament by 3 October 2026 (of 37)

GLOSSARY

How to read an audit opinion

UNQUALIFIED		Clean. The statements can be relied on. Technical term: unmodified.
QUALIFIED		A portion of the statements cannot be relied on; the rest can.
ADVERSE		Deficiencies and errors so significant that the statements are unreliable and untrustworthy.
DISCLAIMER		The auditor was not given enough information to conduct an audit – in essence, not an opinion.

Bar length shows how much of the financial statements a reader can rely on. For 2025: 31 unqualified and six qualified opinions on public bodies. The 10 most recently completed EPS audits were all adverse.

Who the report covers

Public bodies

Any entity with separate financial accountability and reporting.

A ministry, portfolio, independent office, statutory authority or government company of the Cayman Islands Government. There were 48 in 2025.

Statutory authorities and government companies (SAGCs)

Government-owned bodies outside core government.

Statutory authorities are created by specific Acts (for example, the Water Authority, under the Water Authority Act). Government companies are organised under the Companies Act, like the Cayman Islands Stock Exchange Ltd.

Core government

Parliament, the Cabinet, ministries, portfolios and independent offices.

Includes equity investment in statutory authorities and government companies. Ministries, portfolios and independent offices are called “core government entities” in this report.

Entire Public Sector (EPS)

Core government plus all SAGCs, consolidated.

Money in, money out

Coercive revenue

Revenue the Government raises through its powers, with no direct service in exchange.

Based on the Government's inherent power to charge those within its jurisdiction, or earned by core government entities using the state's coercive power.

Equity investment

Capital the Cabinet contributes to public bodies.

Funds the acquisition or development of assets, or meets other capital and operating requirements, of core government entities and SAGCs.

Overall surplus or deficit

Whether total income exceeded total expenses, across all activities.

Includes day-to-day operations plus one-off items such as asset sales or major investments, and gains and losses from revaluing post-retirement healthcare, pensions and other assets.

Valuations and assets

Actuarial valuation

A qualified actuary's estimate of long-term obligations to employees.

Covers pensions and post-retirement healthcare, and any assets held to meet them. It relies on assumptions about returns, salaries, healthcare costs, discount rates and life expectancy, so the reported value can change sharply from year to year even when benefits have not.

Audit reporting

ISA 260 report

The auditor's report to those charged with governance.

Required by International Standard on Auditing 260. For SAGCs it goes to the audit committee or board; for core government entities, to the chief officer.

Other matter paragraph

Draws attention to something not in the statements.

Refers to a matter relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report.

Executive transactions

Transactions under ministers' direct legal responsibility.

Administered by core government entities on ministers' behalf: coercive revenues, transfer payments, executive assets (such as infrastructure and heritage assets that benefit the whole country) and debts with related financing costs. Contrast with entity transactions, the responsibility of chief officers or chief executive officers.

Operating surplus or deficit

Whether day-to-day income covered day-to-day spending.

Surplus: earned more than it spent from day-to-day operations in the period. Deficit: spent more than it earned.

Depreciation and amortisation

Spreading the cost of an asset over its useful life.

Depreciation applies to tangible assets (equipment, buildings); amortisation to intangible assets (computer software).

Heritage assets

Assets preserved for future generations.

Significant for their historic, artistic, scientific or cultural interest – for example, listed buildings, ancient monuments, maritime wreck areas and conservation areas.

Emphasis of matter paragraph

Draws attention to something already in the statements.

Refers to a matter appropriately presented or disclosed that, in the auditor's judgment, is fundamental to users' understanding of the financial statements.

ABBREVIATIONS

ⁿ Created 1 July 2025 ^c Closed 30 June 2025

Statutory authorities and government companies (SAGCs) · 26

AOA	Auditors Oversight Authority	CAA	Civil Aviation Authority of the Cayman Islands	CAL	Cayman Airways Limited
CAYS	Children and Youth Services Foundation	CIAA	Cayman Islands Airports Authority	CIDB	Cayman Islands Development Bank
CIMA	Cayman Islands Monetary Authority	CINAA	Cayman Islands National Attractions Authority	CINICO	Cayman Islands National Insurance Company
CINM	Cayman Islands National Museum	CISX	Cayman Islands Stock Exchange Ltd	CNCF	Cayman National Cultural Foundation
CTC	Cayman Turtle Conservation and Education Centre Limited	HSA	Health Services Authority	MACI	Maritime Authority of the Cayman Islands
NDC	National Drug Council	NGCI	National Gallery of the Cayman Islands	NHDT	National Housing Development Trust
NRA	National Roads Authority	PACI	Port Authority of the Cayman Islands	PSPB	Public Service Pensions Board
SIAHDC	Sister Islands Affordable Housing Development Corporation	SIF	Segregated Insurance Fund	UCCI	University College of the Cayman Islands
URCO	Utility Regulation and Competition Office	WACI	Water Authority of the Cayman Islands		

Ministries, portfolios and offices (core government), 2025 · 22

CAB	Cabinet Office	JA	Judicial Administration	MCEI	Ministry of Caymanian Employment & Immigration
MDAHA	Ministry of District Administration & Home Affairs ⁿ	MDAL	Ministry of District Administration & Lands ^c	MET	Ministry of Education & Training
MFED	Ministry of Finance & Economic Development	MFSC	Ministry of Financial Services & Commerce	MHA	Ministry of Home Affairs ^c
MHES	Ministry of Health, Environment & Sustainability ⁿ	MHW	Ministry of Health & Wellness ^c	MPLAHI	Ministry of Planning, Lands, Agriculture, Housing & Infrastructure
MSCR	Ministry of Sustainability & Climate Resiliency ^c	MSDI	Ministry of Social Development & Innovation	MTTD	Ministry of Tourism & Trade Development
MYSCH	Ministry of Youth, Sports, Culture & Heritage	OCP	Office of the Commissioner of Police	ODPP	Office of the Director of Public Prosecutions
OMB	Office of the Ombudsman	PARL	Cayman Islands Parliament	PLA	Portfolio of Legal Affairs
PoCS	Portfolio of the Civil Service				

Former ministries named in this report · 5

MCA	Ministry of Community Affairs	MFSHA	Ministry of Financial Services & Home Affairs	MHECH	Ministry of Health, Environment, Culture & Housing
MITIAMA	Ministry of International Trade, Investments, Aviation & Maritime Affairs	MPLAHITD	Ministry of Planning, Lands, Agriculture, Housing, Infrastructure, Transport & Development		

Other bodies and terms · 11

ARAC	Audit and Risk Assurance Committee	CPO	Central Procurement Office	ECL	Expected credit loss
EPC	Entity Procurement Committee	EPS	Entire Public Sector	MPOs	Ministries, Portfolios and Offices
NOI	Notice of Interest	OAG	Office of the Auditor General	PAC	Public Accounts Committee
PPC	Public Procurement Committee	SAGCs	Statutory Authorities and Government Companies		

Laws and standards · 6

IAS	International Accounting Standards	IFRS	International Financial Reporting Standards	IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing	PAA	Public Authorities Act (2020 Revision)	PMFA	Public Management and Finance Act (2020 Revision)

EXECUTIVE SUMMARY

This report summarises the results of the 2025 financial audits of the Cayman Islands' public bodies, what they earned, what they spent, and where their financial reporting still falls short of statutory requirements. As at 10 September 2026, my Office had completed 37 of 48 public body audits. The 11 still outstanding (six Statutory Authorities and Government Companies or SAGCs, and five core government entities) are either incomplete or have not yet started.

Through the 37 completed audits, my Office audited about \$1.9 billion of the \$4.1 billion total entity and executive transactions recorded in 2025 – \$981 million (39 per cent) of revenue and \$948 million (61 per cent) of expenditure. The outstanding audits cover an estimated \$350 million of revenue and \$363 million of expenditure. This report excludes the Entire Public Sector's (EPS) unaudited executive transactions – about \$1.2 billion in coercive revenue and at least \$243 million in executive expenditure for 2025.

The 2025 audits present a mixed picture. Most public bodies remain financially sustainable in the short term, but the quality of their financial management is not improving. Public bodies still submit financial statements that need substantial correction, and many receive unqualified opinions only after making those corrections. Budgeting remains weak. Public bodies continue to breach procurement law and leave earlier audit findings unresolved. Audit backlogs, late annual reports and stalled progress on the EPS financial statements further reduce transparency. Healthy surpluses and unqualified opinions do not, by themselves, show strong financial management.

FINANCIAL RESULTS IN 2025

FINANCIAL PERFORMANCE OF STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES

SAGCs recorded a combined operating deficit of \$7.3 million in 2025, but this hides a split result. The 20 SAGCs with completed audits made a combined surplus of \$7.4 million. The six with draft financial statements recorded a combined deficit of \$14.7 million. Of the 20 audited SAGCs, nine were in surplus, one broke even and 10 were in deficit. Of the 19 with budgets, 11 did better than budgeted, and eight did worse.

Five SAGCs posted surpluses worth more than 10 per cent of operating costs, led by the Segregated Insurance Fund (\$7.1 million), the Cayman Islands Monetary Authority (\$6.5 million) and the Civil Aviation Authority of the Cayman Islands (\$3.1 million). At the other end of the scale, the Health Services Authority (HSA) recorded the largest deficit of any audited SAGC, almost \$8.7 million, despite \$26 million in government funding and about \$190 million in other revenue, raising real questions about its financial management and whether it is adequately funded.

Collectively, the 26 SAGCs earned \$627.4 million in 2025, 82 per cent of which was from fees and charges – most are largely self-funding. But eight rely on government money for over half their revenue, and six of those for more than 70 per cent, namely the Cayman Islands National Museum (CINM), University College of the Cayman Islands, the Cayman National Cultural Foundation (CNCF), the Children and Youth Services Foundation (CAYS), the Auditors Oversight Authority and the National Drug Council; government-dependent revenue for the last three of these exceeded 90 per cent, and they could not continue to operate in their present form without sustained government support.

Spending has grown fast. SAGC expenditure in 2025 rose by a third relative to 2021, from \$470 million to \$635 million, driven mainly by personnel costs – up by 40 per cent to \$306 million and now accounting for nearly half of all SAGC spending.

FINANCIAL POSITION OF STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES

SAGCs have significant long-term liabilities. As at 31 December 2025, combined SAGC long-term liabilities were \$507 million. These include debt or borrowing, such as loans, and post-retirement obligations for healthcare and pensions. However, these liabilities are concentrated in about half of SAGCs.

Post-retirement healthcare obligations remain SAGCs' most serious long-term financial challenge. Eleven SAGCs reported combined obligations of almost \$447 million in 2025, up 21 per cent from 2021. The bulk of these obligations are unfunded. Their value shifts sharply and unpredictably each year as actuarial assumptions change, hampering financial planning and budgeting. The combined obligation has increased year on year since 2023.

The trend in pension obligations moved in the opposite direction. Twelve SAGCs have defined benefit pension obligations. Their combined liability fell by 87 per cent between 2021 and 2025, from almost \$33 million to just over \$4 million. By 2025, only four of the 12 still recorded a pension liability. The other eight recorded a pension asset, meaning the assets held in their schemes exceeded the benefits promised to employees.

Three SAGCs hold \$56 million of long-term debt, owed to or guaranteed by the Government. These are Cayman Airways Limited, the Cayman Islands Airports Authority (CIAA) and the Cayman Turtle Conservation and Education Centre Limited.

FINANCIAL PERFORMANCE OF CORE GOVERNMENT ENTITIES

Core government entities reported a combined operating surplus of \$28.1 million in 2025, slightly above the \$26.6 million recorded in 2021. This covers all 22 core government entities, including draft figures for the five whose audits were not complete as at 10 September 2026. The 17 audited entities made a combined surplus of \$25.7 million. Nine were in surplus, and eight broke even. Eight exceeded budget, eight met it, and one fell short.

Three core government entities recorded significant surpluses. The Ministry of Caymanian Employment & Immigration (MCEI) recorded the largest surplus, at nearly \$12.3 million. It attributed this to savings from vacancies and implementing the accounting standard on leases, *International Public Sector Accounting Standard (IPSAS) 43 – Leases*. The Portfolio of the Civil Service recorded the second-largest surplus, at nearly \$3.7 million, followed by the Cabinet Office (CAB), at almost \$2 million.

Core government entities' total revenue for 2025 was \$704 million. Cabinet funding for outputs made up 92 per cent of this. Expenditure was \$676 million, of which MET accounted for about 22 per cent. Personnel costs were the largest overall cost driver in 2025, at \$464 million, or 69 per cent of total expenditure. Personnel costs rose by 35 per cent since 2021.

KEY AUDIT MATTERS IN 2025

THE QUALITY OF FINANCIAL STATEMENTS SUBMITTED FOR AUDIT

Some public bodies submitted poor-quality financial statements to my Office for audit. Public bodies made 315 adjustments worth \$172.5 million after submitting their financial statements. Combined, the adjustments improved public bodies' overall financial performance. The adjustments increased revenue by \$137,000 and reduced expenditure by more than \$7.3 million. As a result, the combined surplus rose by \$7.4 million. However, the combined adjustments weakened public bodies' overall financial position. Adjustments increased assets by \$16.0 million and liabilities by almost \$37.0 million. As a result, combined net worth fell by almost \$20.7 million.

The extent of adjustments (number and value) varies sharply among public bodies. Among the 20 SAGCs audited in 2025, the Cayman Islands Monetary Authority (CIMA) required the largest adjustment value, at over \$31.7 million, followed by the HSA at over \$21.8 million. In each group, a few public bodies account for most of the value. The five SAGCs with the highest adjustment values accounted for 87 per cent of SAGC adjustments by value but 58 per cent by number. For core government entities, the five highest accounted for 90 per cent by value and 46 per cent by number. The Public Service Pensions Board had the highest number of adjustments, at 27, valued at \$12.4 million. Among the 17 core government entities audited in 2025, MCEI had the highest adjustment value, at over \$29.1 million, and the Ministry of Home Affairs had the highest number, at 26, valued at \$11.8 million.

This pattern also extends to backlogged audits. For instance, the CIAA's 2021 audit alone required 32 adjustments worth over \$92.7 million.

Adjustments on this scale also mean public bodies are probably making decisions during the year based on inaccurate financial information.

SIGNIFICANT FINDINGS FROM THE AUDITS

My Office identified 165 significant findings in 2025, slightly more than in 2024. Almost half (44 per cent) were repeats, meaning public bodies are not fixing what we have already reported. Non-compliance with legislation is the largest category (accounting for 68 of the findings, or 41 per cent), overwhelmingly with respect to the *Procurement Act*. Twenty public bodies recorded 54 breaches, a situation that has remained unchanged for at least two years.

Financial management is the second-largest category, with 65 findings related to weak journal entry review, incorrect lease accounting, poor inventory control, misstated revenue, and gaps in bank reconciliations and budgeting.

Two new accounting standards exposed further gaps. Eighteen public bodies made 42 adjustments worth over \$38 million implementing *IPSAS 43 – Leases*. *IPSAS 45 – Property, Plant and Equipment* requires heritage assets to be recognised for the first time; most public bodies got it wrong, and three received qualified opinions as a result.

AUDIT STATUS

2025 FINANCIAL STATEMENTS AND ANNUAL REPORTS

The number of qualified opinions issued rose sharply in 2025. I issued six, all on SAGCs, compared with one in 2024, one in 2023 and none in either 2021 or 2022. When a qualified opinion is issued, this means a specific part of the financial statements cannot be relied on.

Four of the six qualified opinions arose from two new accounting standards that took effect on 1 January 2025. In each case, management could not, or did not, demonstrate that the public bodies complied with the new accounting standards. These relate to the CNCF, the CINM, the National Gallery of the Cayman Islands and CAYS. The remaining two qualifications concerned incorrect inventory valuation at the HSA and inappropriate revenue recognition at the Maritime Authority of the Cayman Islands, which has now been qualified for three years running.

The scale of the increase points to a wider problem. The Ministry of Finance & Economic Development (MFED) coordinated the implementation of *IPSAS 43* across core government, arranging training for chief financial officers and their teams, and developing templates. For SAGCs, the same preparation was not done for *IPSAS 45 – Property, Plant and Equipment* or *IPSAS 46 – Measurement*. As a result, these public bodies underreported their heritage assets, highlighting a leadership gap.

Fifteen audit opinions include “emphasis of matter” paragraphs. The opinions of eight core government entities and three SAGCs highlight that the 2025 *Supplementary Appropriation Bill* was not introduced in Parliament by the 31 March 2026 deadline. This weakens Parliament’s role in authorising expenditure. The “emphasis of matter” paragraphs highlight CIMA's and the Civil Aviation Authority of the Cayman

Islands' non-compliance with section 47 of the *Public Authorities Act (2020 Revision)*. They also highlight going concern issues for four public bodies.

The timeliness of annual report submissions to my Office continues to deteriorate. Thirty-two of 48 public bodies submitted their 2025 annual reports to my Office by the statutory deadline. Public bodies must submit their annual reports to the Cabinet for noting within five months of the end of the year. Only four public bodies submitted their annual reports to the Cabinet for noting by 31 May 2026. The tabling of annual reports in Parliament improved compared with previous years but remained out of line with legal requirements. Public bodies do not lay their own annual reports. My Office must review each annual report; core government entities or the ministry responsible for oversight of SAGCs must forward it to Cabinet, and the responsible Minister must then lay it in Parliament. By 30 April 2026, 35 public body audits were complete, but as at 10 September 2026, only 19 annual reports had been laid in Parliament. Thirty-three annual reports covering 2020 to 2025 remain untabled.

BACKLOGGED AUDITS

As at 10 September 2026, 20 audits covering 11 public bodies and the Entire Public Sector (EPS) remain backlogged. This is the same number as in September 2025, despite my Office completing 12 backlogged audits in the last 12 months.

This is largely because the number of backlogged audits for the current financial reporting year (2025) increased significantly. As at 10 September 2026, 2025 audits for six SAGCs and five core government entities remain incomplete or have not yet started.

The audit backlog continues to undermine accountability. It delays the information Parliament needs to hold public bodies to account. It also reduces the value of our findings to the managers who could act on them.

THE ENTIRE PUBLIC SECTOR

The EPS financial statements remain unreliable for decision-making. I issued adverse opinions on the 10 most recently completed EPS audits, covering the financial years 2013-14 to 2023. The 2024 draft statements carry forward unresolved qualification points from earlier years. These include:

- \$2.6 billion of unrecorded post-retirement healthcare liabilities, which would all but wipe out the reported EPS net worth of \$2.6 billion;
- \$412 million of unsupported road network valuations; and
- more than \$1 billion of coercive revenue, about 71 per cent of total EPS revenue, on which management cannot give assurance.

The EPS statements also fail to consolidate public body results properly. This is partly because so many entity audits are backlogged. MFED has made limited progress on its action plan to resolve these

matters. The one action it reports as complete, consolidated financial statement disclosures, has not been fully addressed.

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

INTRODUCTION

1. Section 61 of the *Public Management and Finance Act (2020 Revision)* (PMFA) requires me to present to Parliament at least one general report in each financial year on the financial audit results and any significant matters I would like to highlight. The PMFA reporting and accountability framework requires public bodies to prepare and present financial statements and annual reports to the Office of the Auditor General (“OAG” or “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. As a result of the 2025 general election, the number of core government entities increased from 20 to 22, which increased the number of public bodies to be audited in 2025 to 48 (from 46). These comprised 22 Ministries, Portfolios, and Offices (“MPOs” or “core government entities”), and 26 Statutory Authorities and Government Companies (SAGCs). These did not include my Office, which is independently audited. The entire public sector (EPS) consolidates the financial statements of the 48 public bodies and the OAG.¹ My Office performs 42 of these 48 audits and audits the EPS’s consolidated financial statements. Three private sector firms (Baker Tilly, Grant Thornton and KPMG) conduct the remaining six audits. My Office conducts a final quality review of these outsourced audits, which I also review and sign off on.
3. By 10 September 2026 – the cut-off date for finalising this report – we had completed audits of the 2025 financial statements of 37 public bodies. We had not started audits of the 2025 financial statements of four public bodies because we were still completing previous years’ audits. Audits of the seven remaining public bodies’ 2025 financial statements were ongoing as at that date.²
4. This report summarises the financial results and audit findings for the 37 public bodies with completed audits. It also summarises the status of all audits. The appendices include information for all 48 public bodies. For the 11 public bodies (six SAGCs and five ministries) with backlogged audits, the appendices report information based on draft financial statements, as their 2025 audits have not yet been completed. This has been included to allow a comparative analysis. Draft figures often do not reflect actual financial results; therefore, some of the commentary in the **Financial Results in 2025** and **Key Audit Matters for 2025** chapters of the report exclude the 11 backlogged audits. These 11 public bodies reported \$350 million in revenue and \$363 million in expenditure in their

¹ The 48 public bodies exclude OAG.

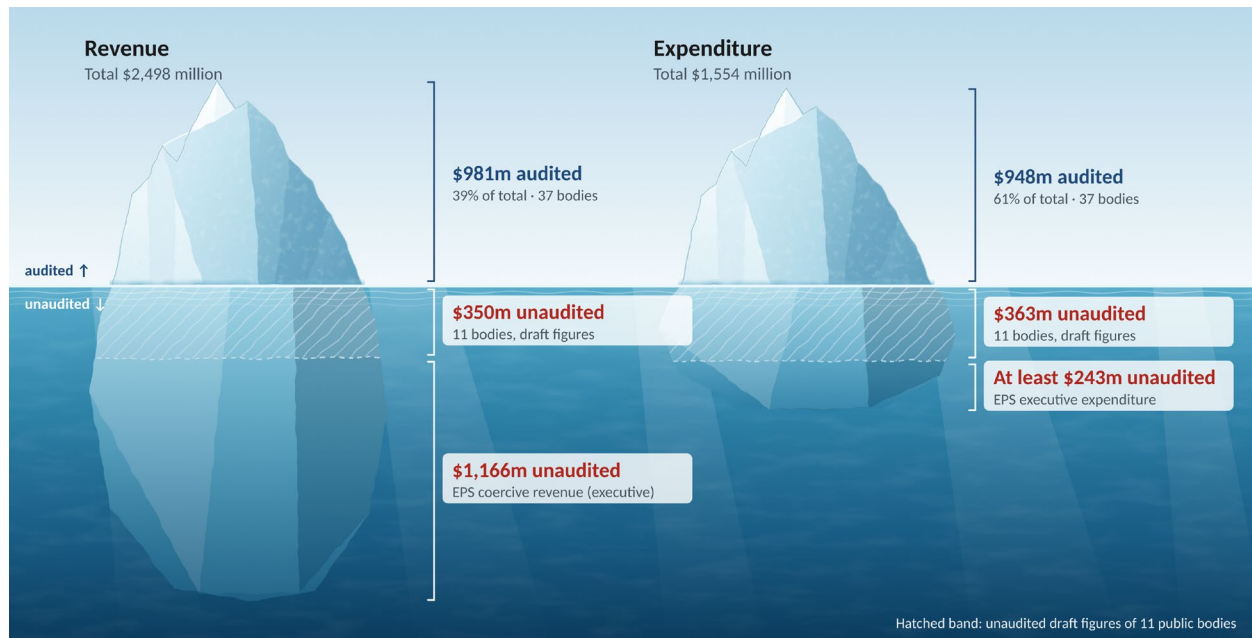
² We have not started the audits of the Ministry of Health and Wellness, the Ministry of Health, Environment and Sustainability, the Cayman Islands Airports Authority, and the National Housing Development Trust. The audits of the Ministry of Planning, Lands, Agriculture, Housing and Infrastructure, the Ministry of Sustainability and Climate Resiliency, the Ministry of District Administration and Home Affairs, University College of the Cayman Islands (UCCI), Cayman Airways Limited (CAL), the Cayman Turtle Conservation and Education Centre Limited (CTC) and the Sister Islands Affordable Housing Development Corporation (SIAHDC) are ongoing.

draft 2025 financial statements, accounting for 27 per cent of all public bodies' revenue and expenditure.

5. The financial information and audit findings in this report do not include consolidated financial statements for the EPS for 2025 because they are backlogged and unaudited. In addition to consolidating the financial results of the 48 public bodies, the EPS financial statements include the Government's executive transactions. Executive transactions encompass all coercive revenues and expenditures as well as assets and liabilities. Based on the draft 2025 EPS financial statements submitted for audit, executive transactions are significant – almost \$1.2 billion in coercive revenue and at least \$243 million in executive expenditure. Executive expenditure includes transfer payments, grants to non-government organisations, other executive expenses and financing costs.
6. Exhibit 1 compares the entity revenue and expenditure audited and covered by this report with the total revenue and expenditure of the EPS for 2025. Of the total reported (entity and executive) unconsolidated revenue of \$2.5 billion – a simple total that does not remove transactions between public bodies and the executive – we audited \$981 million, or 39 per cent. This leaves \$1.5 billion of revenue unaudited. Of the total reported expenditure of almost \$1.6 billion, we audited \$948 million, or 61 per cent.

Of the total reported (entity and executive) unconsolidated revenue in 2025 of \$2.5 billion, we have audited \$981 million, which accounts for 39 per cent. This means that \$1.5 billion of revenue is unaudited. Of the total reported expenditure (entity and executive) in 2025 of almost \$1.6 billion, we audited \$948 million, accounting for 61 per cent.

Exhibit 1: Total revenue and expenditure, audited and unaudited, 2025



Source: OAG analysis of audited and unaudited (including EPS) financial statements for 2025.

7. Sections 44 and 52 of the PMFA require public bodies to prepare annual reports to accompany their financial statements. Annual reports set out how a public body performed over the financial year and explain the results behind its financial statements.
8. As part of the audit process, I communicate with those charged with governance at the respective public bodies by issuing a Management Letter, also known as an International Standard on Auditing (ISA) 260 report. Among other things, these reports include summaries of adjustments made to the financial statements during the audit, as well as errors identified but not corrected. These reports also include details of significant internal control deficiencies identified during the audit, including instances of non-compliance with applicable acts, regulations and policies. We publish these reports on the OAG website each year around 31 October. Reports completed after that date are published on the OAG website once finalised.
9. For the core government entities, these reports are submitted to the respective chief officers. Additionally, my Office presents these reports to the Government's Audit and Risk Assurance Committee (ARAC). The ARAC provides the Deputy Governor with independent, objective advice on governance, risk management, internal control, financial management, reporting, and internal audit for the core government.
10. For SAGCs, the boards of directors (boards) are charged with governance. Therefore, the OAG issues the ISA 260 reports to the SAGC boards. The Cabinet appoints board members to oversee strategic

direction, manage SAGC performance and provide Parliament with an accountability layer.³ All SAGC boards, except that of the Utility Regulation and Competition Office (URCO), include non-voting representatives from the ministry under which the entity falls. Several SAGC boards also have representatives from the Ministry of Finance & Economic Development (MFED).

11. 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 2025. The report provides a position statement as at 10 September 2026 and includes:

- a summary of 37 public bodies' financial results in 2025;
- a summary of key audit matters that arose from the 37 completed audits of the 2025 financial statements and that I want to highlight; and
- an update on the status of audits and financial reporting as at 10 September 2026.

12. I want to thank the staff of all public bodies, especially the finance teams, for their efforts. Thirty-one of the 37 audits completed received unqualified opinions (that is, clean audit opinions). I thank my team at the OAG and our contracted auditors, Baker Tilly, Grant Thornton, and KPMG, for their commitment and support of my Office.

³The Cabinet appoints board members of SAGCs under section 9(1) (a) of the *Public Authorities Act (2020 Revision)*.

FINANCIAL RESULTS IN 2025

13. In this chapter, I comment on the financial performance and position of the 37 public bodies whose audits we completed in 2025. It includes information on key elements of financial performance and financial position. Financial performance refers to a public body's revenues, expenses and surplus or deficit. Financial position refers to a public body's assets, liabilities and equity or net worth at a specific point in time (31 December 2025 in this case). For this report, I comment on surpluses and deficits, revenue, expenditure, and assets and liabilities, including debt and post-retirement healthcare liabilities. I report on the financial performance of SAGCs and core government entities (MPOs) separately.
14. As stated in the **Introduction**, the audits of 11 public bodies' 2025 financial statements had not been completed or started as at 10 September 2026. Exhibit 2 shows the total revenue and expenditure reported by public bodies for 2025. It splits these into audited and unaudited amounts as at 10 September 2026, by value and as a percentage of the respective totals. In total, the 37 completed audits covered about \$1.9 billion of the \$4.1 billion of entity and executive transactions recorded in 2025: \$981 million of revenue and \$948 million of expenditure. The 11 incomplete audits cover a further \$350 million of revenue and \$363 million of expenditure. The EPS's executive transactions – about \$1.2 billion of coercive revenue and \$243 million of expenditure – also remain unaudited. I discuss the status of the backlogged audits in the **Status of Audits and Financial Reporting** chapter of this report.

Exhibit 2: Summary of audited and unaudited entity revenue and expenditure for 2025

	SAGC		MPO		Total Revenue	Total Expenses
	Revenue	Expenses	Revenue	Expenses		
Audited	459,995,660	452,603,632	520,993,000	495,250,000	980,988,660	947,853,632
Unaudited	167,426,773	182,117,457	183,012,000	180,648,000	350,438,773	362,765,457
Total – Entity	627,422,433	634,721,089	704,005,000	675,898,000	1,331,427,433	1,310,619,089
EPS – Executive unaudited					1,166,422,000	242,952,000
Total – Entity and Executive					2,497,849,433	1,553,571,089
Percentage Audited					39%	61%
Percentage Unaudited					61%	39%

Source: OAG analysis of public body and EPS financial statements for 2025.

15. Appendices A and B provide financial performance trend information for the five years from 2021 to 2025 for all SAGCs and for core government entities, respectively. For the 11 public bodies with backlogged audits, I have used the figures reported in the draft financial statements submitted to

my Office for audit. This allows comparative analysis, even though their 2025 audits are not yet complete.

FINANCIAL PERFORMANCE AND POSITION OF STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES

16. SAGCs' financial performance and position are based on surpluses, deficits, revenues, expenditures and liabilities. I also comment on SAGCs' revenue sources, their reliance on government funding, and their debt, including post-retirement healthcare obligations. Exhibits 39 to 44 in Appendix A provide further details on the financial performance trend of the 26 SAGCs for the five years from 2021 to 2025.

SURPLUSES AND DEFICITS

17. Section 7(2) of the *Public Authorities Act (2020 Revision)* (PAA) requires SAGCs to:

- manage their operations in a financially responsible way;
- operate as profitable and efficient businesses; and
- contribute to the Government's revenue or, at a minimum, break even.

COMBINED SURPLUSES AND DEFICITS BETWEEN 2021 AND 2025

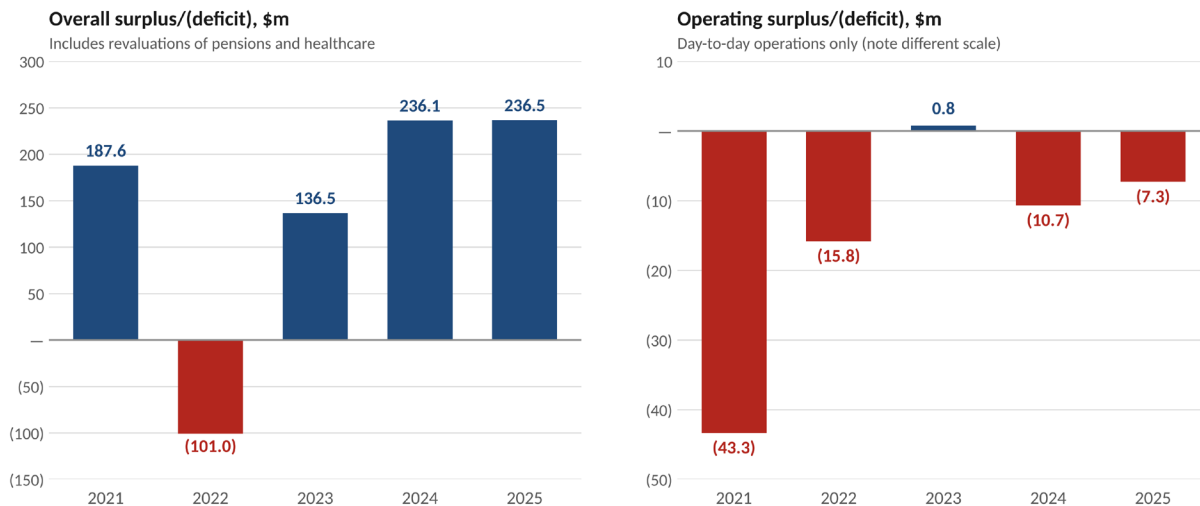
18. Over the five years from 2021 to 2025, the combined financial performance of all SAGCs fluctuated. Exhibit 3 shows the combined overall surplus or deficit and the combined operating surplus or deficit between 2021 and 2025.

19. Exhibit 3 shows that the combined overall surplus or deficit fluctuated year-on-year. The overall surplus or deficit includes the direct operating results of the SAGCs, as well as other non-operating expenses and revenues that affect their final equity position. For example, post-retirement healthcare obligations can fluctuate significantly from year to year. The combined overall surplus or deficit fluctuated from a \$188 million surplus in 2021 to a \$101 million deficit in 2022, and to a \$236 million surplus in 2025.

20. Exhibit 3 also shows that, combined, SAGCs made an operating surplus in one year and a deficit in the other four. Two of those deficit years, 2021 and 2022, were affected by the COVID-19 pandemic and the recovery from it. An operating surplus or deficit is the difference between revenue (income) and expenditure from day-to-day operations only. The combined operating deficit improved from \$43 million in 2021 to \$7 million in 2025.⁴

⁴ This analysis uses draft amounts for the Cayman Islands Airports Authority (2022–2025), the National Housing Development Trust (2023–2025), Cayman Airways Limited (2024 and 2025) and the Cayman Turtle Conservation and Education Centre Limited, the Sister Islands Affordable Housing Development Corporation and University College of the Cayman Islands (UCCI) (2025).

Exhibit 3: Combined overall and operating surplus/(deficit) of all SAGCs, 2021–2025

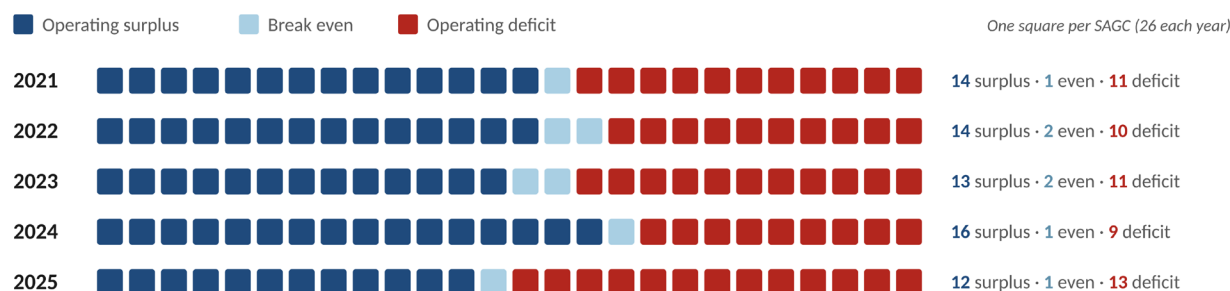


Source: OAG analysis of the audited and draft financial statements for the respective public bodies.

21. The financial performance of SAGCs over the five years considered reveals a mixed picture.⁵ Between 2021 and 2025, seven (of 26) SAGCs consistently recorded annual overall surpluses, and three consistently recorded overall deficits. The AOA broke even each year, and the remaining 15 SAGCs recorded mixed financial performance. Over the same period, six SAGCs consistently reported annual operating surpluses. These include the Cayman Islands Monetary Authority (CIMA), the Cayman Islands Stock Exchange Ltd (CISX), the Civil Aviation Authority of the Cayman Islands (CAA), the Maritime Authority of the Cayman Islands (MACI), the National Drug Council (NDC) and the Segregated Insurance Fund (SIF). Two audited entities consistently reported operating deficits. These are the Public Service Pensions Board (PSPB), which administers the public pension funds, and the Cayman Islands Development Bank (CIDB). However, it is worth noting that the pension funds administered by the PSPB reported a positive financial performance. Exhibit 4 shows the number of SAGCs with annual operating surpluses or deficits over the last five years.

⁵ Exhibits 39 and 40 in Appendix A provide information on all SAGCs' overall and operating surpluses and deficits in each of the five years from 2021 to 2025.

Exhibit 4: Number of SAGCs with operating surplus/deficit or at break-even, 2021–2025



Source: OAG analysis of the audited and draft financial statements for the respective public bodies.

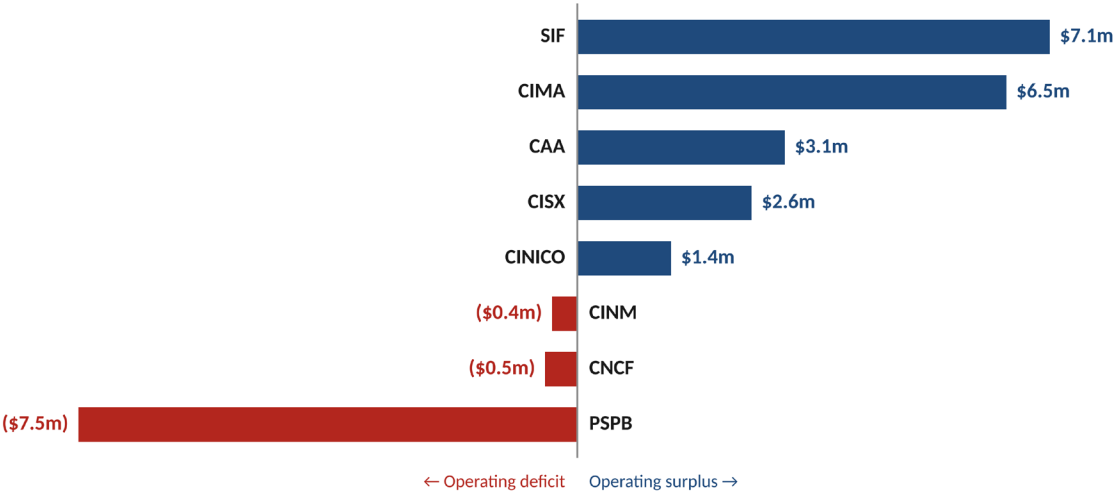
22. As reported earlier, six SAGC audits for 2025 either had not started or were still in progress as at 10 September 2026. Their draft financial statements show mixed results. Cayman Airways Limited (CAL), the Cayman Turtle Conservation and Education Centre Limited (CTC) and the National Housing Development Trust (NHDT) reported operating deficits for 2025, ranging from almost \$4.5 million to over \$17.5 million. These three SAGCs also reported a deficit in each of the five years from 2021 to 2025. In 2025, the Sister Islands Affordable Housing Development Corporation (SIAHDC), University College of the Cayman Islands (UCCI) and the Cayman Islands Airports Authority (CIAA) reported operating surpluses, ranging from about \$11,000 to over \$16.5 million.⁶ The financial performance of these three SAGCs varied over the period, fluctuating between surpluses, break-even and deficits. Together, these six SAGCs reported a combined operating deficit of \$14.7 million.
23. As at 10 September 2026, we had completed the audits of 20 SAGCs. Together, they reported a combined operating surplus of \$7.4 million. Our commentary on the 2025 financial performance focuses only on operating surpluses and deficits, as income and expenses directly relate to day-to-day core business operations. As stated earlier, overall surpluses or deficits include non-operational items that public bodies cannot control and can vary from year to year, distorting financial performance.
24. Of the nine SAGCs (of 20 audited) reporting operating surpluses, most have done so consistently over the five years. Four SAGCs – CIMA, SIF, the CAA and the CISX – have consistently made an operating surplus of over \$1.8 million in each of the last five years. Operating surpluses in 2025 ranged from approximately \$54,000 to just over \$7.1 million.
25. One SAGC, the Auditors Oversight Authority (AOA), broke even in 2025, as it had in each of the four years prior. Of the 10 SAGCs reporting operating deficits, two – the PSPB and the CIDB – have consistently done so over the five years. The Health Services Authority (HSA), the Port Authority of the Cayman Islands (PACI) and the Cayman National Cultural Foundation (CNCF) have reported

⁶ As at the date of issuance of this report, the audit of the SIAHDC had been completed.

deficits in four of the five years. The Children and Youth Services Foundation (CAYS) and the National Gallery of the Cayman Islands (NGCI) reported deficits only in the 2024 and 2025 financial years, with the 2025 deficit greater than the 2024 deficit. Three SAGCs, the Cayman Islands National Attractions Authority (CINAA), the Cayman Islands National Museum (CINM), and URCO, reported a deficit only in the 2025 financial year. Operating deficits ranged from about \$21,000 to more than \$8.6 million in 2025.

26. Our analysis identified eight SAGCs with a significant operating surplus or deficit for 2025. We define “significant” as 10 per cent or more of operating expenditure. Exhibit 5 shows that five SAGCs made a significant operating surplus and three made a significant operating deficit.

Exhibit 5: SAGCs with significant (10 per cent or more of operating expenditure) operating surpluses and deficits, 2025



Source: OAG analysis of the financial statements for the respective public bodies.

27. Five SAGCs reported a significant operating surplus. These are SIF, CIMA, the CAA, the CISX and the Cayman Islands National Insurance Company (CINICO). SIF reported the largest operating surplus, at \$7.1 million. It is worth noting that the HSA made an operating deficit of nearly \$8.7 million. However, this was less than 10 per cent of its operating expenditure and, as such, is not deemed significant.

28. Three of the 20 audited SAGCs reported a significant deficit. The PSPB reported an operating deficit of about \$7.5 million. This is because the PSPB lacks sufficient operating revenue to cover day-to-day expenses. The CNCF reported an operating deficit of about \$482,000. The CINM reported an operating deficit of almost \$377,000.

ACTUAL FINANCIAL PERFORMANCE IN 2025 VARIED AGAINST BUDGETS

29. In this section, we comment on the actual financial performance of 20 audited SAGCs in 2025. As stated earlier, under the PAA, SAGCs must at least break even. Of the 20 audited SAGCs, we compared the operating financial performance of 19 in 2025 with their approved budgets for that year.⁷ SIF does not have an output agreement with the Government that sets out its agreed budget; as a result, we could not make this comparison. Overall, 11 of the 19 performed better than budgeted and eight performed worse. Our analysis and Exhibit 41 revealed that the actual financial performance of all 19 SAGCs differed from their agreed budgets, as follows:

- Nine SAGCs budgeted to make a surplus. Of these, six – CIMA, the CISX, CINICO, the CAA, MACI and the Water Authority of the Cayman Islands (WACI) – recorded a surplus. Three – the CINM, the HSA and URCO – recorded a deficit. The HSA budgeted for a surplus of around \$93,000 but reported an operating loss of almost \$8.7 million. The operating loss resulted from operating expenses, such as personnel costs, supplies and materials, and expected credit losses exceeding the budget. The HSA also reported a total overall loss of \$18.7 million. This total loss includes \$10.1 million in unrealised losses from remeasurements of defined pension and defined healthcare benefits. The HSA also reported operating deficits in the previous three years.
- Two SAGCs budgeted to break even. One recorded a deficit, and the other a surplus. The NDC recorded a surplus of nearly \$54,000, and the PSPB recorded a deficit of just over \$7.5 million.
- Eight SAGCs budgeted for deficits. It is unclear why these SAGCs budgeted for a deficit when the PAA requires them to at least break even. Six SAGCs recorded a deficit: the CIDB, the CINAA, the CNCF, CAYS, PACI and the NGCI. The other two SAGCs performed better than budgeted. The AOA broke even. The National Roads Authority (NRA) recorded a surplus.

The HSA budgeted for a surplus of around \$93,000 but reported an operating loss of over \$8.7 million. The HSA also reported a total overall loss of \$18.7 million. The HSA reported operating deficits in the previous three years.

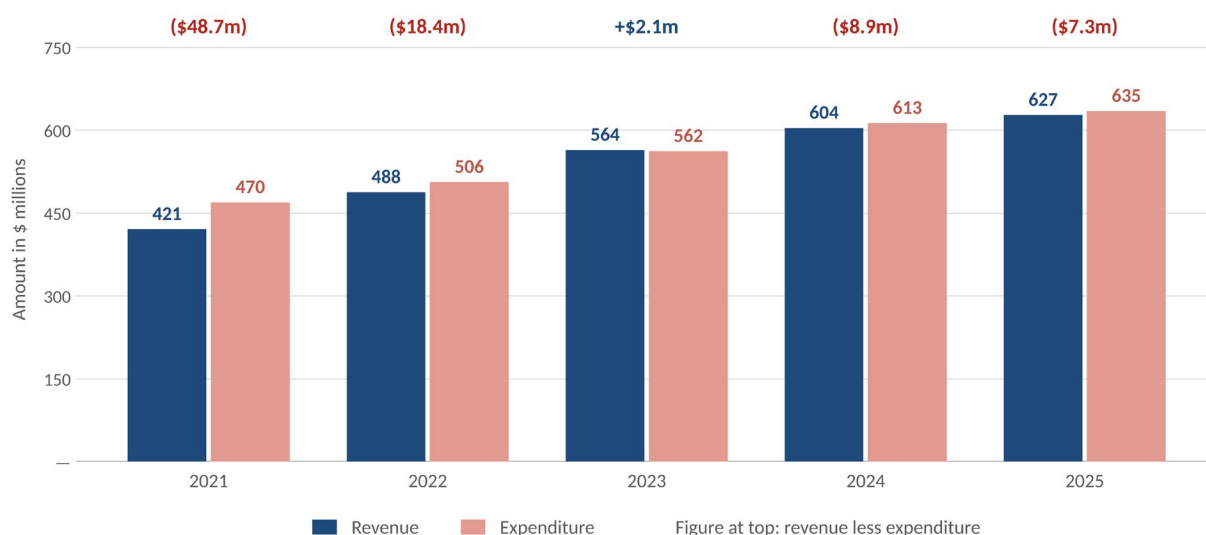
Eight SAGCs budgeted for deficits. It is unclear why these SAGCs budgeted for a deficit when the PAA requires them to at least break even.

⁷ Exhibit 41 in Appendix A provides information on each of the SAGCs' actual and budgeted financial performance for 2025.

REVENUE AND EXPENDITURE INCREASED IN 2025

30. From 2021 to 2025, total revenue and expenditure for all 26 SAGCs increased. Exhibit 6 shows the trend over the five years. It shows that total revenue and expenditure increased over the period, while the combined surpluses or deficits varied.

Exhibit 6: SAGCs – total revenue and expenditure, 2021–2025



Notes:

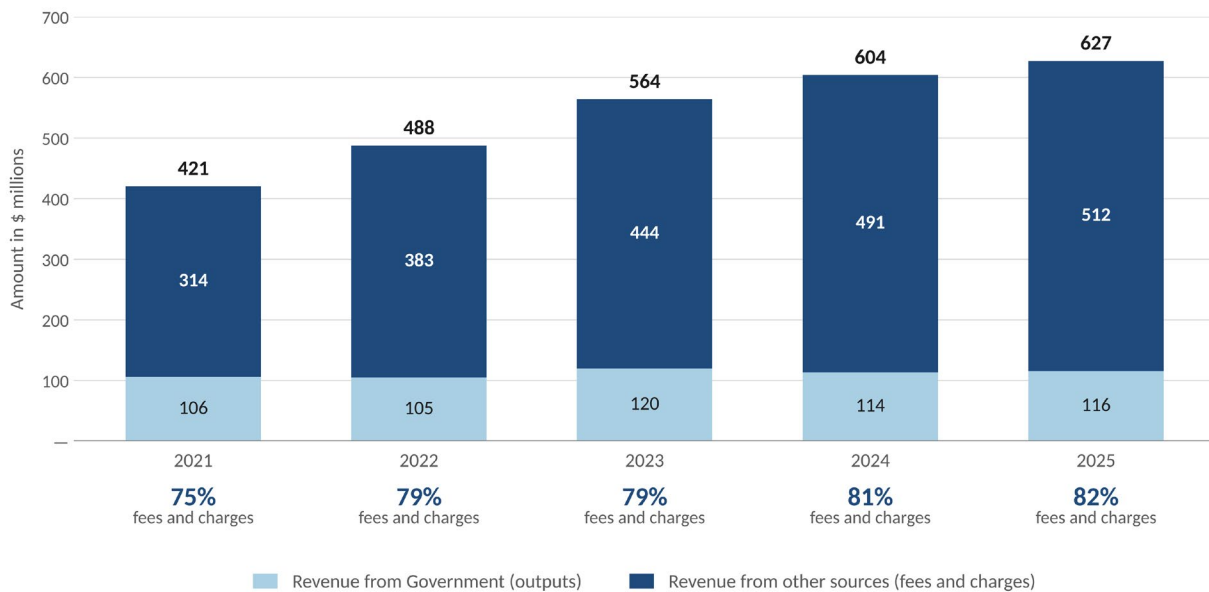
1. This analysis covers all 26 SAGCs. For those whose 2025 audits are not complete, it uses the draft financial statements submitted to the OAG.

Source: OAG analysis of the financial statements of SAGCs.

REVENUE FROM THE GOVERNMENT AND FEES AND CHARGES

31. SAGCs receive revenue from two primary sources: 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 to deliver these services. SAGCs also generate revenue from other sources, such as by issuing fees and charges directly to the public.
32. Total revenue for all 26 SAGCs increased by about \$207 million (49 per cent), from almost \$421 million in 2021 to over \$627 million in 2025. Exhibit 7 shows total revenue by source over the past five years. Most revenue in 2025 – almost \$512 million, or 82 per cent – came from fees and charges, while government funding accounted for almost \$116 million (18 per cent). Combined output revenue from the Government peaked in 2023 and fell by \$6.2 million in 2024, before rising by nearly \$2 million in 2025. Fees and charges rose steadily, from about \$314 million in 2021 to almost \$512 million in 2025, a 63 per cent increase. Exhibit 42 in Appendix A shows the revenue of each SAGC for 2021 to 2025.

Exhibit 7: SAGCs – total revenue by source, 2021–2025



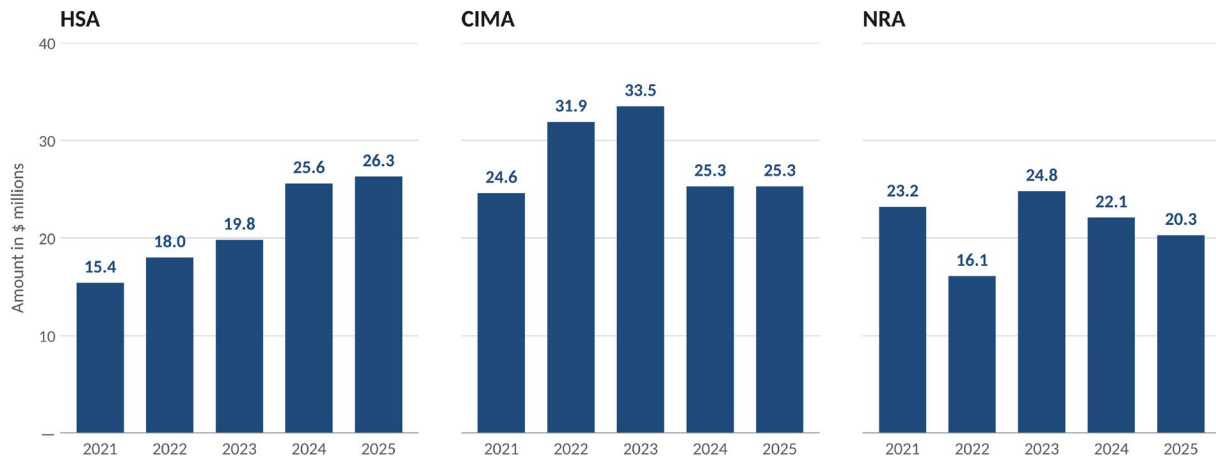
Note: This exhibit includes data from all 26 SAGCs. It utilises information from draft financial statements provided to the OAG for audit for those SAGCs whose financial statements are not audited.

Source: OAG analysis of the financial statements of SAGCs.

33. Total revenue varied widely by SAGC. It ranged from almost \$57,000 for the SIAHDC to over \$215 million for the HSA. The HSA's total revenue accounts for 34 per cent of the total SAGC revenue.
34. Of the 20 SAGCs whose audits were complete as at 10 September 2026, three accounted for \$72 million of output revenue from Government in 2025, representing 62 per cent of total output funding. The remaining \$43 million, or 38 per cent, was billed collectively by 13 SAGCs (10 audited plus CAL, UCCI and NHDT), which received output funding. Ten SAGCs did not bill the Government for delivery of services on the Government's behalf. Three SAGCs billed the largest amounts of government output funding in 2025:
 - The HSA billed the most, at \$26.3 million, or 23 per cent of the total. In addition to this output funding, the HSA earned \$189 million from various other sources. Despite this, the HSA incurred an operating loss of \$8.7 million in 2025, as reported earlier.
 - CIMA billed the second-highest amount, at \$25.3 million, or 22 per cent of the total. CIMA reported an operating surplus of \$6.5 million.
 - The NRA was third, billing \$20 million, or 17 per cent of the total.
35. Over the five years, these three SAGCs billed most of the total output revenue. Exhibit 8 shows the three SAGCs' output revenue between 2021 and 2025. Over these five years, the HSA's output funding consistently increased each year, rising from about \$15 million in 2021 to over \$26 million in

2025. CIMA's output revenue was about \$25 million in 2021, 2024 and 2025 but increased to \$32 million and \$33 million in 2022 and 2023, respectively. The NRA's output revenue was between \$20 million and \$25 million each year except for 2022, when it dropped to \$16.1 million.

Exhibit 8: Top SAGC billers of output revenue, 2021–2025



Source: OAG review of the respective public bodies' financial statements.

36. The share of revenue that SAGCs receive from the Government and from fees and charges varies considerably. Exhibit 9 shows the revenue sources for each of the 26 SAGCs in 2025.⁸ Ten SAGCs received no output funding from the Government. Several of these, such as CAL and the CTC, instead received government funding through equity injections.⁹ CAL and the CTC receive equity injections to support recurring operational expenditures and

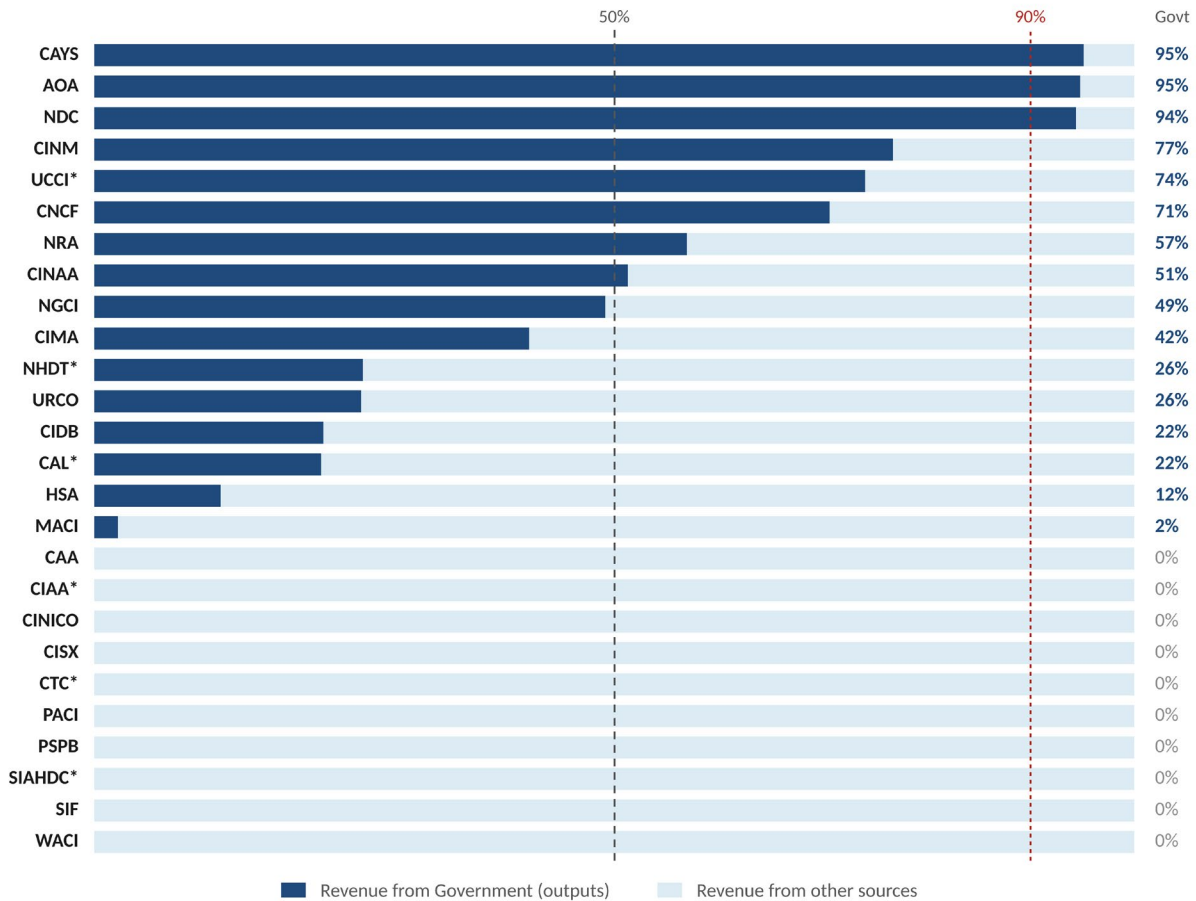
Eight SAGCs rely on the Government for more than half of their revenue. Three of these – CAYS, the AOA and the NDC – rely on it for more than 90 per cent of their revenue. Without this funding, they could not continue to operate.

safeguard their ability to continue as going concerns. Eight SAGCs rely on the Government for more than half of their revenue. Three of these – CAYS, the AOA and the NDC – rely on it for more than 90 per cent of their revenue. Without this funding, they could not continue to operate. The level of government funding does not determine whether a SAGC operates at a surplus or a deficit. Some SAGCs that rely significantly on government funding record deficits, while others break even or better.

⁸ Exhibit 43 in Appendix A provides details of SAGCs' revenue by source for 2025.

⁹ The audits of the 2025 financial statements for CAL and CTC were incomplete and ongoing as at 10 September 2026.

Exhibit 9: SAGCs – percentage of revenue by source, 2025



Source: OAG analysis of the respective public bodies' financial statements.

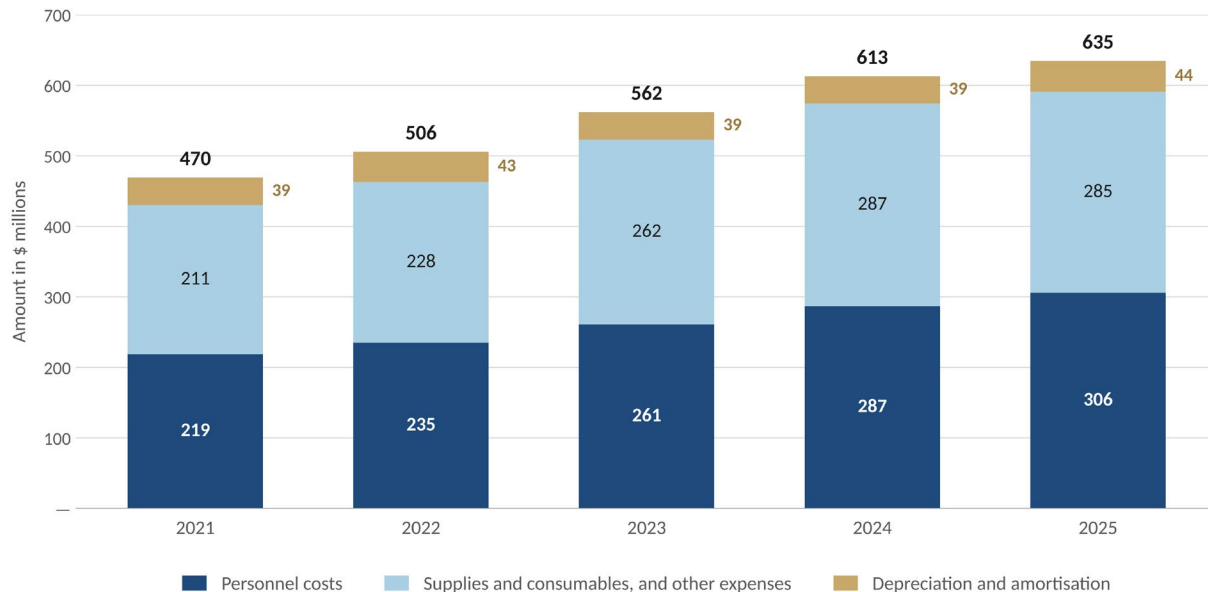
Note: *Draft financial statement amounts have been used where audits for a given entity are backlogged.

SAGC EXPENDITURE CONTINUES TO INCREASE

37. Over the five years from 2021 to 2025, total SAGC expenditure increased by 35 per cent, from \$470 million in 2021 to almost \$635 million in 2025.¹⁰ Exhibit 10 shows the total expenditure for each of the five years. It breaks this down into personnel costs, supplies and consumables, and depreciation.

¹⁰ Exhibit 44 in Appendix A provides information on each SAGC's total expenditure for the five years from 2021 to 2025.

Exhibit 10: SAGCs – total expenditure by type, 2021–2025



Share of expenditure	2021	2025	Change in value, 2021–2025
Personnel costs	47%	48%	+40%
Supplies and consumables, and other expenses	45%	45%	+35%
Depreciation and amortisation	8%	7%	+11%

Source: OAG analysis of the respective public bodies' financial statements.

38. Personnel costs have risen much faster than other spending. Over the five years, personnel costs – salaries and public servant benefits – grew by 40 per cent, from \$219 million to \$306 million. Spending on supplies and consumables grew by about 35 per cent from \$211 million to \$285 million. Most of that growth occurred before 2023, and spending on supplies has been broadly flat since then. Depreciation and amortisation remain the smallest expense category but grew by 11 per cent from \$39 million to \$44 million.
39. These different growth rates have changed the make-up of SAGC spending only slightly. Personnel costs have been the largest or joint-largest category in every year except 2023. Supplies and consumables were marginally higher that year, and the two were level in 2024. Personnel costs' share of total expenditure rose from 47 per cent in 2021 to 48 per cent in 2025. Supplies and consumables rose to 47 per cent in 2023 and 2024 before returning to 45 per cent in 2025, the same as in 2021. Depreciation and amortisation fell from about 8 per cent to 7 per cent of spending. Personnel costs accounted for 53 per cent of the \$165 million increase in expenditure over the five years, and now account for almost half of all SAGC spending.

FINANCIAL POSITION

40. The financial position of SAGCs is based on their assets, liabilities and the resultant net assets, also known as equity. Equity or net assets is the residual after subtracting liabilities from assets. Assets and liabilities are either non-current or current as follows:

- Non-current assets are long-term or fixed assets. These include property, plant, and equipment, such as hospital buildings. They may also include long-term investments.
- Non-current liabilities need to be repaid in the long term. These include post-retirement staff obligations such as pensions and healthcare. They may also include borrowing or long-term debt.
- Current assets include cash, short-term investments and amounts due to be received in the short term.
- Current liabilities include amounts owed and due to be repaid over the next financial year or period.

41. The following sections discuss the long-term liabilities of SAGCs, which are their debt and post-retirement healthcare obligations. It also discusses their current assets and liabilities, where I comment only on the 20 audited entities for which amounts and balances have been confirmed.

SAGCS HAVE SIGNIFICANT LONG-TERM LIABILITIES

42. More than half of SAGCs have long-term liabilities. Three have loans or borrowings, and some have post-retirement healthcare (11) and pension (12) obligations for their staff. These will need to be repaid in the longer term. Exhibit 11 provides a summary of the 15 SAGCs that have long-term liabilities. It shows that some SAGCs have only one form of debt, most have two and one (the CIAA) has three.

Exhibit 11: SAGCs with long-term liabilities in 2025

SAGC	Long-term debt	Post-retirement liability		Number of long-term liabilities
		Healthcare	Pensions	
CAL Cayman Airways Limited	●	●	●	1
CAA Civil Aviation Authority	●	●	●	2
CAYS Children and Youth Services Foundation	●	●	●	1
CIAA Cayman Islands Airports Authority	●	●	●	3
CIMA Cayman Islands Monetary Authority	●	●	●	2
CIDB Cayman Islands Development Bank	●	●	●	1
CTC Cayman Turtle Conservation and Education Centre	●	●	●	2
HSA Health Services Authority	●	●	●	2
MACI Maritime Authority of the Cayman Islands	●	●	●	2
NRA National Roads Authority	●	●	●	2
PACI Port Authority of the Cayman Islands	●	●	●	1
PSPB Public Service Pensions Board	●	●	●	2
UCCI University College of the Cayman Islands	●	●	●	1
URCO Utility Regulation and Competition Office	●	●	●	2
WACI Water Authority of the Cayman Islands	●	●	●	2
Total	3	11	12	

Source: OAG analysis of the respective public bodies' financial statements.

43. As at 31 December 2025, SAGCs' long-term liabilities totalled \$507 million, made up of:

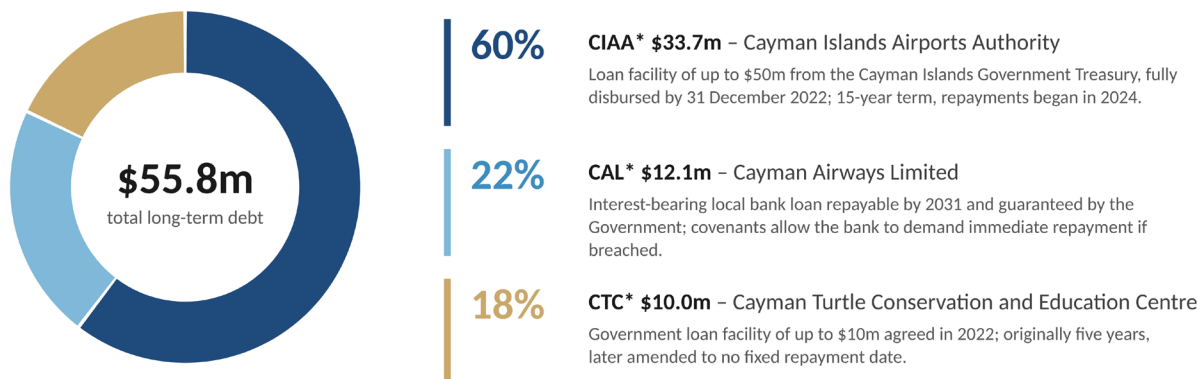
- long-term debt – \$56 million;
- post-retirement healthcare liability – \$447 million;
- post-retirement pension liability – \$4 million.

We discuss each of these next.

THREE STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES HAVE LONG-TERM DEBT

44. The total debt of SAGCs increased by almost \$23 million, or 70 per cent, from almost \$33 million in 2021 to nearly \$56 million in 2025. Over the five years, total debt peaked in 2024 at almost \$70 million. Three SAGCs hold this debt: CAL, the CIAA and the CTC. The debt is either owed to the Government or guaranteed by it. Exhibit 12 shows the percentage and value composition of the total debt held by the three SAGCs in 2025. The audits of these three SAGCs were incomplete as at 10 September 2026, so we could not confirm these balances.

Exhibit 12: Percentage composition of long-term debt, 2025



*Note: *Figures reported are from draft financial statements as the audits of the three public bodies are backlogged.*

Source: OAG analysis of the respective public bodies' financial statements.

45. The CIAA accounts for the largest share of this debt. The CIAA's draft 2025 financial statements reported that it has a loan facility of up to \$50 million from the Cayman Islands Government Treasury. The full amount was disbursed by 31 December 2022. The loan runs for 15 years, and the CIAA began making repayments in 2024. As at 31 December 2025, the loan payable was \$33.7 million.
46. CAL reported an interest-bearing loan payable of \$12.1 million from a local bank, repayable by 2031, in its draft 2025 financial statements. The Government guarantees the loan. CAL must comply with certain covenants. If it fails to do so, the bank can demand immediate repayment of all borrowings.
47. The CTC reported a loan facility of up to \$10 million from the Cayman Islands Government, agreed in 2022, in its draft 2025 financial statements. The original loan term was five years. The CTC reported in its 2024 financial statements that this was later amended such that the loan has no fixed repayment date.

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

48. During the 2016–17 financial period, the Government decided that all SAGCs with employees deemed eligible for post-retirement healthcare benefits should recognise this obligation in their financial statements. At the time, 10 SAGCs had eligible employees. The CIDB's post-retirement scheme started in 2023.
49. Exhibit 13 shows the obligations recorded for the 11 SAGCs with eligible employees over the five years from 2021 to 2025. These are based on actuarial valuations from Mercer (Canada) Limited.

The total obligation for the 11 SAGCs rose by about 21 per cent, from \$370 million in 2021 to almost \$447 million in 2025. However, the obligation did not rise steadily. It fell by almost a fifth between 2021 and 2022, then rose again in each of the following three years. The total obligation increased by 8 per cent between 2024 and 2025. The 2025 increase was mainly due to a change in the healthcare trend rate assumption. This followed the actuary's updated trend rate model in September 2025.

50. Individual SAGCs' liabilities varied widely over the five years:

- Obligations rose over the five years for eight of the 11 SAGCs. The CIAA's obligation rose by 82 per cent over the five years, the largest increase among the SAGCs that had balances in 2021.
- Three SAGCs recorded decreases over the period. URCO's obligation decreased by 37 per cent, MACI's by 27 per cent and PACI's by 5 per cent. URCO's decrease reflects a smaller eligible workforce in 2024 and changes in the discount rate. PACI's obligation fell by 6 per cent between 2024 and 2025. This was due to a change to the scheme in January 2025, which reduced the benefit obligation, service cost and interest cost for the rest of the year.

Exhibit 13: SAGCs – post-retirement healthcare obligations in thousands, 2021–2025

↑ Liability increased on the previous year		↓ Liability decreased on the previous year		↑ 39,995 Draft figures (CIAA)		\$000. Figures and percentages coloured on the same basis.	
SAGC	2021	2022	2023	2024	2025	Percentage 5-year change	Percentage change 2024–2025
CIAA*	22,003	↑	↑	↑	39,995	82%	5%
CIMA	10,398	↓	↑	↓	10,685	3%	25%
CAA	4,604	↓	↓	↑	4,666	1%	12%
CIDB	–	–	new	↑	1,248	100%	12%
HSA	192,306	↓	↑	↓	245,036	27%	11%
MACI	6,372	↓	↑	↓	4,632	–27%	–3%
NRA	28,129	↓	↑	↓	33,666	20%	31%
PACI	51,446	↓	↑	↑	48,702	–5%	–6%
PSPB	1,263	↓	↑	↓	1,429	13%	16%
WACI	52,963	↓	↑	↓	56,292	6%	–2%
URCO	984	↓	↓	↓	619	–37%	36%
Total	370,468	↓	↑	↑	446,970	21%	8%

Notes:

1. The exhibit includes only SAGCs with post-retirement healthcare obligations.
2. Balances reported in the draft financial statements provided to the OAG for audit have been used for the CIAA for the years 2022–2025.

Source: OAG analysis of the respective public bodies' financial statements.

51. These fluctuations affect the financial performance and position of some SAGCs. For example, the HSA's obligation increased from over \$192 million in 2021 to around \$245 million in 2025. However, the obligation fluctuated significantly over the five years, falling to \$150 million in 2022, rising to \$236 million in 2023, dropping to \$221 million in 2024, and rising again in 2025. These swings are reflected in the HSA's annual financial performance. The HSA reported remeasurement gains of \$51 million in 2022 and \$28 million in 2024. It reported losses of \$77 million in 2023 and \$11 million in 2025. The gains and losses affected its overall surplus and deficit each year. The yearly change in the obligation also includes service and interest costs, less benefits paid, so it does not equal the remeasurement gain or loss.
52. As noted earlier, Mercer (Canada) Limited values the defined benefit obligations of all 11 SAGCs each year-end. Despite this common approach, the results move in different directions. Exhibit 13 shows no consistent pattern across the 11 SAGCs. Four of them – CIMA, the HSA, the NRA and the PSPB – moved together, with falls in 2022 and 2024 and rises in 2023 and 2025. The CIAA's obligation increased in each of the five years. The other six SAGCs' obligations followed no common pattern. Exhibit 13 also shows variation within years. In 2022, the obligations fell for nine SAGCs and rose for one. The direction reversed in 2023, with eight increases and two decreases. In 2024, obligations decreased for seven and rose for four. In 2025, eight rose, and three fell.
53. For the 2025 audits, I engaged an actuarial expert to review independently the assumptions and methodology used in valuing SAGCs' defined benefit pension and post-retirement healthcare obligations. I did this to obtain assurance over the balances, given significant fluctuations in the prior year and proposed changes in assumptions.
54. As a result of the review, the expert identified that the overall healthcare liability was overstated by \$10 million. This was adjusted for. However, some SAGCs' liabilities increased, and some decreased.

The expert identified that the overall healthcare liability was overstated by \$10 million.

THE VALUE OF POST-RETIREMENT PENSION LIABILITIES HAS SIGNIFICANTLY DECREASED

55. Twelve SAGCs have defined benefit pension obligations for their staff. Their combined net pension liability fell by 87 per cent over the five years, from \$32.5 million in 2021 to \$4.1 million in 2025. Exhibit 14 shows the pension liabilities and pension assets recorded by these 12 SAGCs from 2021 to 2025. These are based on actuarial valuations carried out by Mercer (Canada) Limited as at each year-end.

Exhibit 14: SAGCs – pension obligations and pension assets in thousands, 2021–2025

↑ Asset increased ↓ Liability decreased ↓ Asset decreased ↑ Liability increased ↑ (11,871) Draft figures (CIAA, 2022–2025)									
SAGC	2021 position	2021	2022	2023	2024	2025	Percentage 5-year change	Percentage change 2024–2025	2025 position
CIAA*	LIABILITY	(9,907)	↑	↑	↑	(11,871)	20%	3%	LIABILITY
CIMA	ASSET	332	↑	↑	↑	9,605	2,793%	27%	ASSET
CAA	LIABILITY	(1,264)	↑	↑	↑	1,819	–244%	33%	ASSET
CAYS	ASSET	62	↓	↑	↑	98	58%	11%	ASSET
HSA	LIABILITY	(9,846)	↓	↓	↓	(3)	–100%	–100%	LIABILITY
MACI	LIABILITY	(1,167)	↓	↓	↑	963	–183%	37%	ASSET
NRA	LIABILITY	(1,601)	↓	↓	↑	1,933	–221%	68%	ASSET
UCCI	LIABILITY	(1,806)	↓	↑	↑	(1,268)	–30%	–34%	LIABILITY
PSPB	ASSET	27	↑	↑	↑	99	267%	–75%	ASSET
CTC	LIABILITY	(287)	↓	↓	↑	641	–323%	30%	ASSET
WACI	LIABILITY	(6,790)	↓	↓	↓	(6,237)	–8%	11%	LIABILITY
URCO	LIABILITY	(267)	↓	↑	↓	74	–128%	–773%	ASSET
Total	LIABILITY	(32,514)	↓	↓	↓	(4,147)	–87%	–51%	LIABILITY

Notes:

- The exhibit includes only SAGCs with pension obligations or pension assets.
- Balances reported in the draft financial statements provided to the OAG for audit have been used for the CIAA for the years 2022–2025.

Source: OAG analysis of the respective public bodies' financial statements.

- A SAGC records a pension liability where the benefits promised to its employees exceed the assets held in the scheme to meet them. Where the scheme assets exceed the obligation, it records a pension asset instead. Contributions, investment returns and changes in the actuarial assumptions used all affect the balance, so a SAGC can move between the two in successive years.
- By 2025, only four of the 12 SAGCs – the CIAA, the HSA, the UCCI and WACI – had a pension liability. The other eight recorded a pension asset.
- Over the five years, the pension position of 11 of the 12 SAGCs improved. The exception was the CIAA, whose pension liability rose by 20 per cent to \$11.9 million in 2025. Six SAGCs improved their position each year, either by reducing a pension liability or increasing a pension asset: CIMA, HSA,

CAA, MACI, NRA and CTC. The HSA's liability fell each year and was almost eliminated by 2025, down nearly 100 per cent to \$3,000.

59. CIMA's pension asset grew each year to \$9.6 million, and CAYS's grew by 58 per cent over the five years to \$98,000. Five SAGCs moved from a pension liability to a pension asset during the period: the CAA, MACI, the NRA, the CTC and URCO. URCO made the switch only in 2025.

FINANCIAL PERFORMANCE AND POSITION OF MINISTRIES, PORTFOLIOS AND OFFICES (CORE GOVERNMENT ENTITIES)

60. In this section, I comment on key aspects of the financial performance of core government entities in 2025. These include surpluses and deficits, revenue sources, and expenses. Exhibits 45 to 48 in Appendix B provide further details on the five-year trend for each of the 22 core government entities from 2021 to 2025.
61. As reported earlier, as at 10 September 2026, we had completed the audits of 17 of the 22 core government entities' 2025 financial statements.¹¹ In 2025, following the April general election, the Government reorganised. Four core government entities ceased to exist after 30 June 2025, and two new core government entities were created, effective 1 July 2025. The entities that ceased to exist were the Ministry of Home Affairs (MHA), the Ministry of District Administration & Lands (MDAL), the Ministry of Health & Wellness (MHW) and the Ministry of Sustainability & Climate Resiliency (MSCR). The newly created entities were the Ministry of District Administration & Home Affairs (MDAHA) and the Ministry of Health, Environment & Sustainability (MHES).
62. This section covers the 22 core government entities. Where I comment on trends over the five years, I use the figures for all 22 entities, including the draft financial statements of the five whose audits are incomplete. Where I comment on 2025 financial performance and financial position, I use figures for only the 17 audited entities, because these amounts and balances have been confirmed.

SURPLUSES AND DEFICITS DECLINED IN 2025

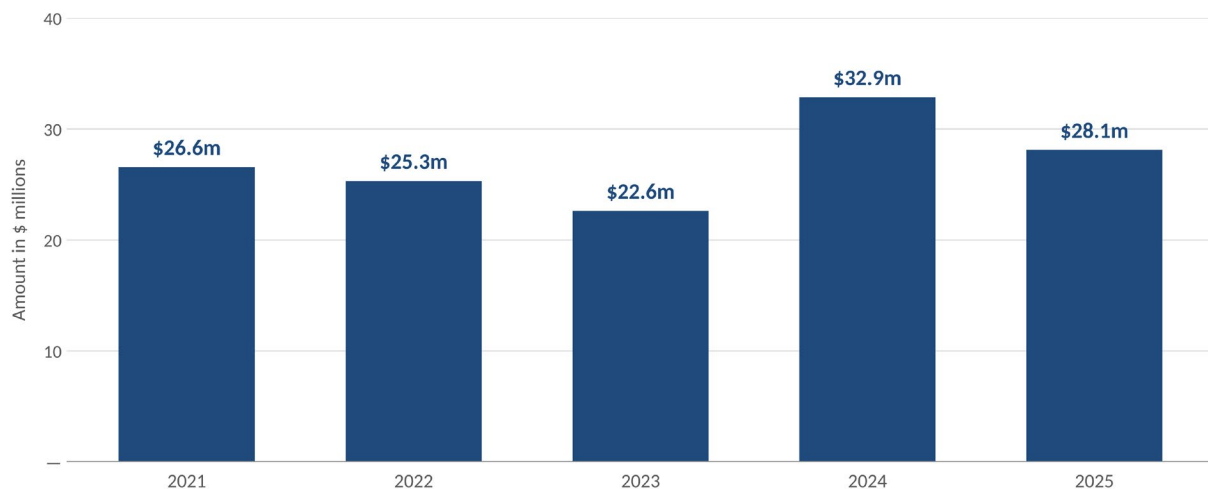
63. Core government entities typically budget to break even in their budget statements. However, actual results often deviate from that expectation. We compare the actual financial performance of core government entities against their 2025 budgets later in this section.

¹¹ The 2025 audits of the Ministry of Planning, Lands, Agriculture, Housing and Infrastructure, the MSCR and the MDAHA were ongoing, while the 2025 audits of the MHW and the MHES had not been started, as audits from previous years were backlogged.

FLUCTUATIONS IN COMBINED SURPLUSES AND DEFICITS BETWEEN 2021 AND 2025

64. The analysis and findings in this section relate to all 22 core government entities. The analysis is based on audit information or, for the five entities for which an audit has not been completed or started, draft financial statements provided to the OAG for audit.
65. Exhibit 15 shows that core government entities reported a combined operating surplus in each of the five years from 2021 to 2025. It shows that the surplus varied annually.

Exhibit 15: Combined operating surplus of all core government entities, 2021–2025



Source: OAG analysis of the audited and draft financial statements for core government entities.

66. The financial performance of individual entities varied across the five years.¹² Most reported a surplus every year. Five reported deficits in some years. The MHA and the Ministry of Planning, Lands, Agriculture, Housing & Infrastructure (MPLAHI) recorded deficits in three of the five years: the MHA in 2022, 2023 and 2024, and the MPLAHI in 2021, 2022 and 2023. The Ministry of Youth, Sports, Culture & Heritage (MYSCH) recorded deficits in 2022 and 2024, and the Ministry of Financial Services and Commerce (MFSC) and the Office of the Commissioner of Police (OCP) recorded a deficit in 2021.

CORE GOVERNMENT ENTITIES REPORTED MIXED FINANCIAL PERFORMANCE IN 2025

67. In this section, I report on the 17 core government entities whose audits we completed. For 2025, nine of the 17 core government entities audited reported a surplus, meaning their total revenue exceeded total expenditure. Eight entities broke even. Together, the 17 audited entities reported a

¹² Exhibit 45 in Appendix B provides information on individual entities' surplus or deficit in each of the five years.

combined operating surplus of \$25.7 million. The 2025 audits of the other five entities either had not started or were still in progress as at 10 September 2026.¹³

68. Our analysis identified three core government entities with a significant surplus or deficit for the 2025 financial year. As reported earlier, we defined “significant” as 10 per cent or more of expenditure. Exhibit 16 displays the three core government entities that generated significant surpluses in 2025. It shows the following:

- The Ministry of Caymanian Employment & Immigration (MCEI) reported the largest surplus, at \$12.3 million, or 28 per cent of its operating expenditure. It reported that it was due to savings from vacancies in the ministry and its departments, as well as the implementation of *International Public Sector Accounting Standards (IPSAS) 43 – Leases*. This is discussed later in the **Key Audit Matters for 2025** chapter.
- The Portfolio of the Civil Service (PoCS) reported a surplus of over \$3.6 million, or 18 per cent. PoCS had budgeted for a \$1.1 million surplus. PoCS reported that third-party revenue exceeded projections, while it underspent on supplies and consumables and personnel costs. The Cabinet Office (CAB) reported a \$2 million surplus, representing 10 per cent of its operating expenditure.

Exhibit 16: Core government entities with significant surpluses, 2025



Source: OAG analysis of the core government entities' financial statements.

ACTUAL FINANCIAL PERFORMANCE IN 2025 VARIED RELATIVE TO 2025 BUDGETS

69. As stated earlier, core government entities usually budget to break even. We compared the 2025 financial performance of 17 audited core government entities with their approved budgets. Our analysis showed that the actual financial performance of the 17 entities in 2025 varied relative to their budgets. Exhibit 46 in Appendix B provides detailed information for each core government entity on the following:

- Five core government entities budgeted for a surplus and reported one. Four reported a higher surplus than budgeted, and one fell short. The MCEI budgeted a surplus of \$12.1 million and reported almost \$12.3 million. The Ministry of Social Development & Innovation (MSDI) budgeted a surplus of

¹³ The draft financial statements of these five entities report a surplus for four and break-even for one.

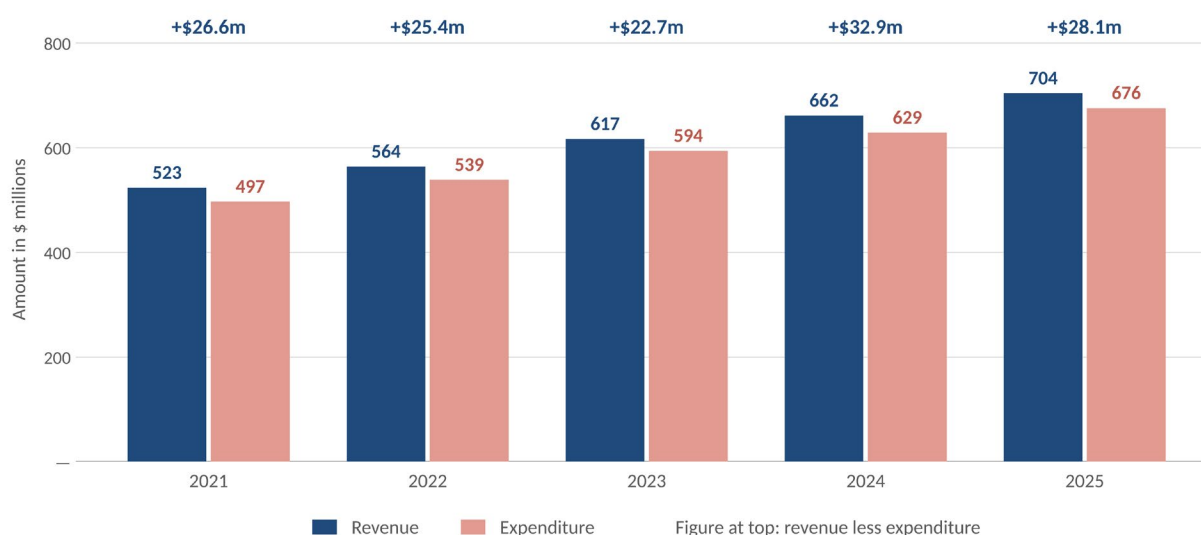
\$227,000 and reported over \$3.3 million. The OCP budgeted a surplus of \$301,000 and reported \$563,000. PoCS budgeted for a surplus of \$1.1 million and reported a surplus of \$3.7 million. The MYSCH budgeted for a \$38,000 surplus but reported a \$23,000 surplus.

- Twelve core government entities budgeted to break even, and eight did so. These were the MDAL, the MFED, the MHA, the Judicial Administration (JA), the Ministry of Financial Services & Commerce (MFSC), the Office of the Director of Public Prosecutions (ODPP), the Office of the Ombudsman (OMB) and the Portfolio of Legal Affairs (PLA). The other four performed better than budgeted: CAB, the Cayman Islands Parliament (PARL), the Ministry of Education & Training (MET), and the Ministry of Tourism & Trade Development (MTTD) each reported a surplus.

INCREASED REVENUES AND EXPENDITURES

70. Both revenue and expenditure rose over the five years from 2021 to 2025. Exhibit 17 shows the trend over the five years. It shows that total revenue grew by more than a third over the five years, from \$523 million in 2021 to \$704 million in 2025. It also shows that total expenditure increased by more than one-third, from almost \$497 million to \$676 million.

Exhibit 17: Core government entities – total revenue and expenditure, 2021–2025

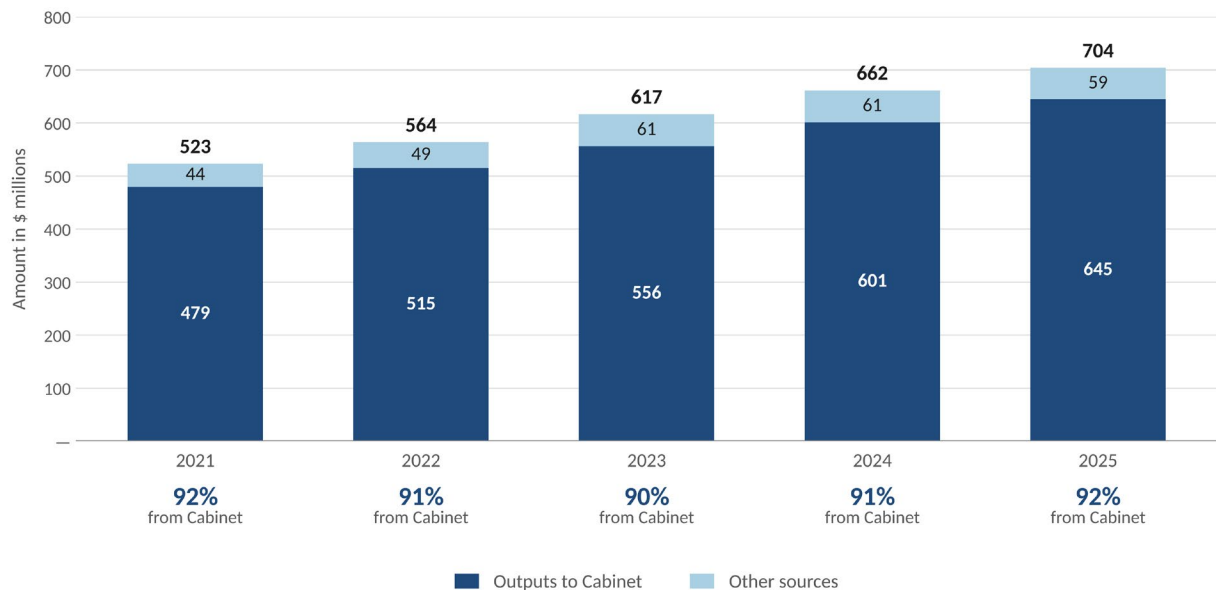


Source: OAG analysis of the audited and draft financial statements for core government entities.

REVENUES HAVE INCREASED BY 34 PER CENT OVER THE FIVE YEARS FROM 2021 TO 2025

71. Core government entities generate revenue by delivering goods and services on behalf of the Cabinet, collecting revenue from the resulting outputs. Revenue from the Cabinet funds outputs on its behalf. The appropriation process authorises this revenue. The Government also charges the public directly for non-coercive goods and services, such as fees and duties. Exhibit 18 shows the split of revenue sources for the years 2021 to 2025.

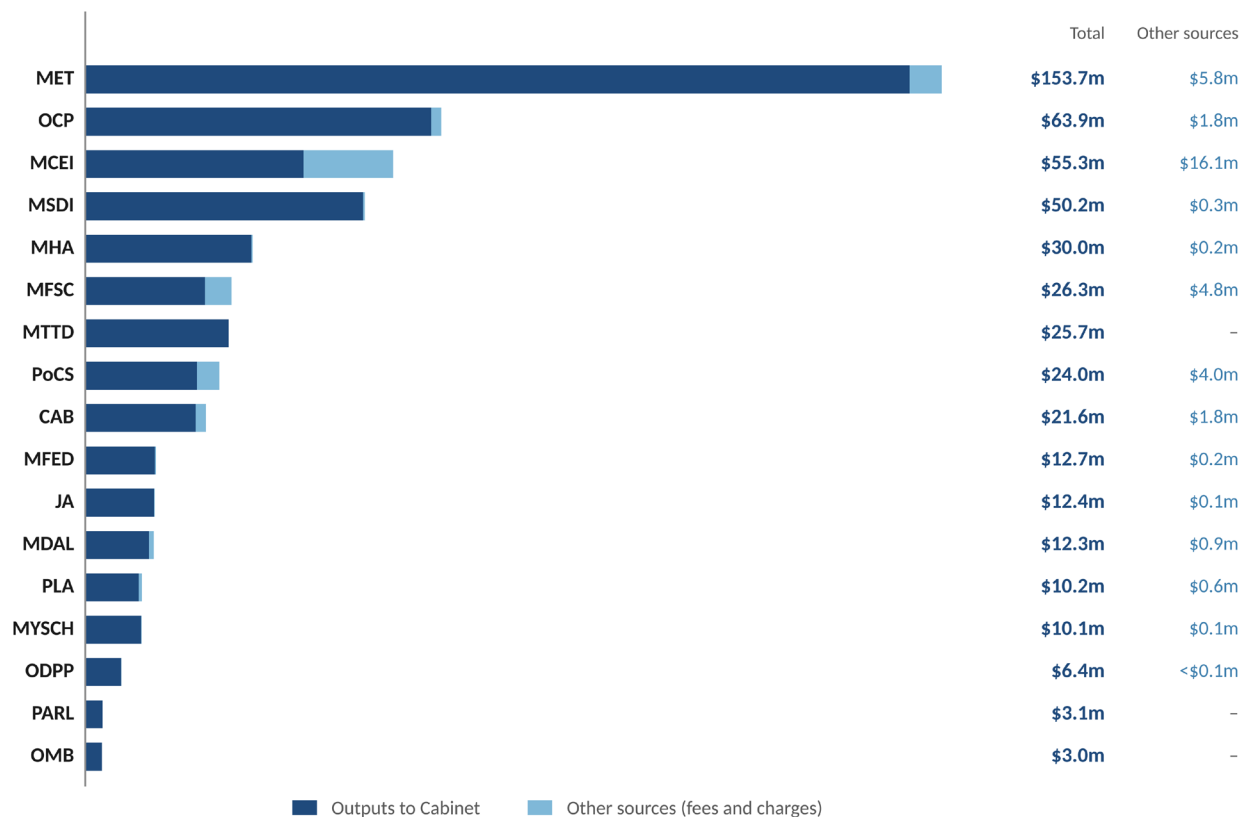
Exhibit 18: Core government entities – total revenue by source, 2021–2025



Source: OAG analysis of the core government entities' audited and draft financial statements.

72. Over the five years from 2021 to 2025, revenue from providing outputs to the Cabinet grew by around one-third, from \$479 million to \$645 million. Revenue from other sources rose from about \$44 million in 2021 to about \$61 million in 2023 and has been broadly flat since, at around \$60 million a year. Total revenue increased over the five years, but the revenue sources remained relatively consistent. Around 90 per cent or more of total revenue was from outputs to the Cabinet, and the remaining 10 per cent came from other sources.
73. Exhibit 19 shows the total revenue earned and revenue by source for core government entities in 2025. Five of the 17 audited core government entities accounted for \$353 million, or more than half of the total reported revenue. MET earned the most, at \$154 million, or more than a fifth of the total. OCP followed with \$63.9 million, and MCEI with \$55.3 million. The MSDI earned \$50.2 million, and the MHA earned \$30 million. Exhibit 47 in Appendix B shows the revenue of each core government entity for 2021 to 2025.

Exhibit 19: Core government entities – total revenue by source, 2025



Source: OAG analysis of the core government financial statements.

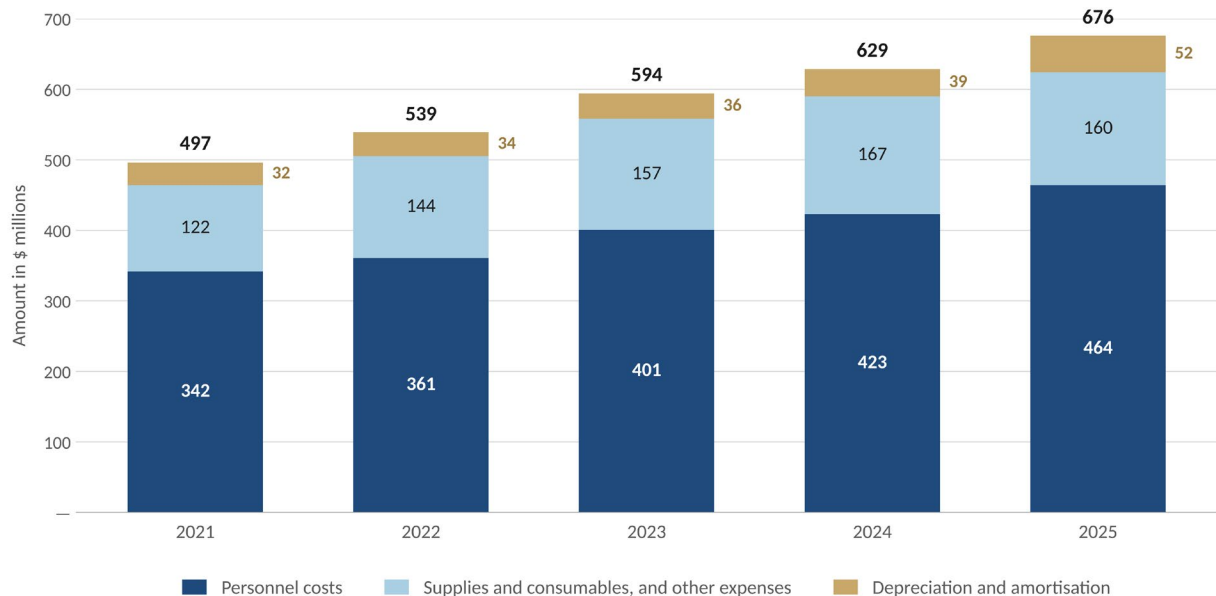
74. The MCEI earned the most revenue from other sources (fees and charges), for example, work permit administration fees and warehousing fees, examination fees and pension plan registration fees. In 2025, the MCEI earned \$16.1 million of revenue from sources other than the Cabinet, accounting for almost a third of its total. No other entity earned more than \$6 million from other sources.

EXPENDITURE INCREASED IN 2025

75. Exhibit 20 shows the total core government entity expenditure for the five years from 2021 to 2025 by expenditure type, that is, personnel costs, expenditure on supplies and consumables, and depreciation. It shows that most expenditure relates to personnel costs and supplies and consumables.¹⁴

¹⁴ Exhibit 48 in Appendix B provides information on individual core government entities' total expenditure for each of the years from 2021 to 2025.

Exhibit 20: Core government entities – total expenditure by type, 2021–2025



Share of expenditure	2021	2025	Change in value, 2021–2025
Personnel costs	69%	69%	+35%
Supplies and consumables, and other expenses	25%	24%	+31%
Depreciation and amortisation	7%	8%	+59%

Source: OAG analysis of the core government entities' financial statements.

76. Exhibit 20 shows the following:

- Personnel costs are the largest element (over two-thirds) of expenditure for core government entities and the main driver of its growth. Over the five years, personnel costs rose by over one-third, to almost \$464 million in 2025, accounting for over 68 per cent of the five-year increase.
- Spending on supplies and consumables and other expenses rose by about 31 per cent over the period, increasing annually between 2021 and 2024. However, it fell in 2025, from \$167 million to \$160 million.
- Depreciation and amortisation grew the fastest of the three expense categories, rising by 59 per cent over the period, with an increase of over \$13 million in 2025 alone. Implementing *IPSAS 43 – Leases* brought new assets onto the statement of financial position, which increased depreciation.

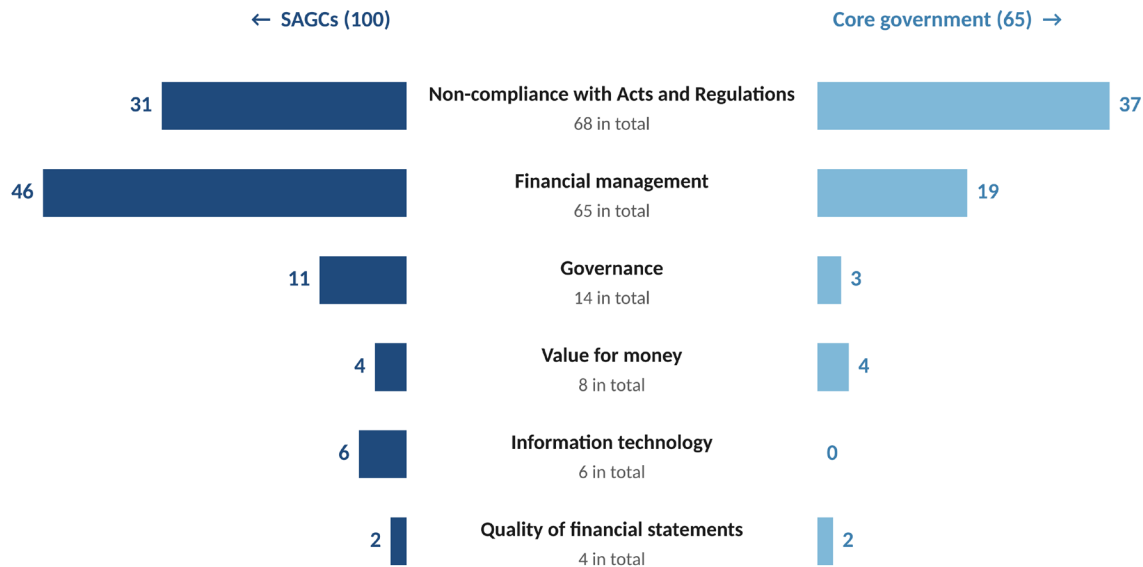
77. MET spent more than any other core government entity in 2025, at \$150 million, or more than a fifth of total core government expenditure. The five largest spenders amongst those audited were MET, the OCP, the MSDI, the MCEI and the MHA. Together they spent \$333 million, accounting for almost half of all core government expenditure.

KEY AUDIT MATTERS FOR 2025

INTRODUCTION

78. In this chapter, I discuss some of the findings from the 2025 audits. The findings are drawn from audit opinions and ISA 260 Reports. I have reported these deficiencies to those charged with governance in the respective ISA 260 reports.
79. A summary of all internal control deficiencies is provided in Appendix C, and more detailed information can be found in the individual ISA 260 reports published on our website at <http://www.auditorgeneral.gov.ky/reports>. I typically publish these reports around 31 October each year, in accordance with the OAG's ISA 260 reporting policy.
80. The audit matters outlined below relate to issues we reported to 33 of the 37 audited public bodies. As at 10 September 2026, we issued two reports with no significant findings and had not yet issued the two remaining reports following their recent completion. As at 10 September 2026, we had finalised 33 of the 35 ISA 260 reports.
81. The 2025 audits identified 165 significant findings across six categories. Twenty-six of the 165 findings relate to ISA 260 reports for the MHA and the NGCI that are yet to be finalised. Of the remaining 139 significant findings, management of three public bodies did not accept five. Exhibit 21 shows the distribution of findings by category and by type of public body (core government entities and SAGCs). This section discusses each category.

Exhibit 21: Distribution of findings from 2025 ISA 260 reports



Source: OAG analysis of the 2025 public bodies’ ISA 260 Reports.

82. Non-compliance with acts and regulations and issues with financial management accounted for more than three-quarters of the 165 significant findings, with 68 and 65 findings of each, respectively. This concentration points to weaknesses in financial oversight and compliance with statutory requirements. Public bodies need to strengthen their internal controls and their arrangements for meeting statutory obligations. We reported 14 findings concerning governance. The remaining 18 findings related to information technology, value for money, and the quality of financial statements and submissions.
83. The number of findings in 2025 increased slightly – by two – when compared to 2024. However, 2025 findings span 33 public bodies, compared with 39 in 2024. This represents more findings concentrated in fewer public bodies.
84. Almost half of the 2025 findings were recurring or repeat findings. Of the 165 findings, 73 were raised in previous years. A repeat finding means we reported the weakness and made a recommendation for improvement previously in an ISA 260 report. At that time, management accepted the weaknesses and recommendations and identified actions and implementation dates to address these. However, these weaknesses remain, indicating management is not taking the agreed actions. It also means my staff spend audit time on matters that should have been resolved, rather than on new risks. Exhibit 22 shows the number of recurring findings in each category.

Of the 165 findings, 73 were raised in previous years. These weaknesses are recurring, indicating management is not taking the agreed actions.

Exhibit 22: Distribution of recurring findings from 2025 ISA 260 reports

73

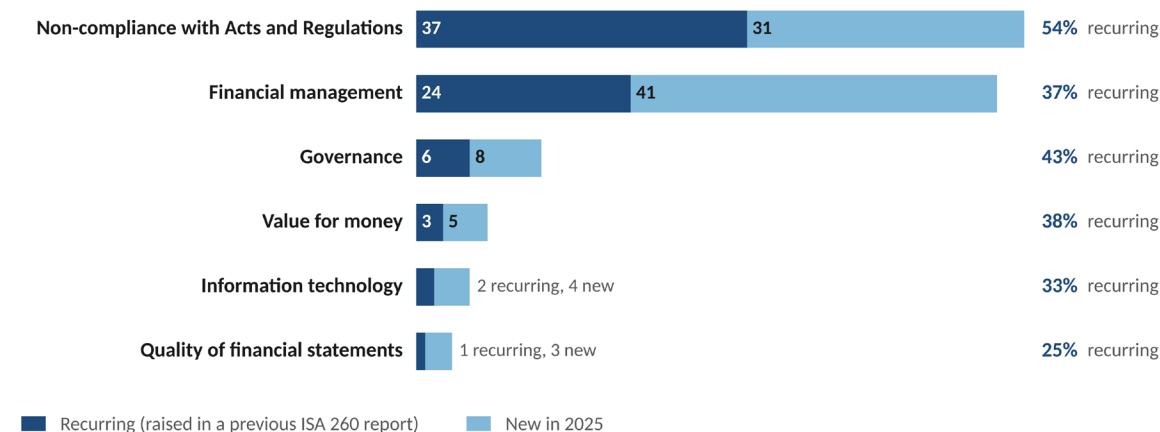
of 165 findings (44%) were raised in earlier years and not resolved

29 of 37

repeat compliance findings relate to the Procurement Act and Regulations

8 in 10

repeat findings concern compliance or financial management



Source: OAG analysis of the 2025 public bodies' ISA 260 reports.

85. The concentration of repeat findings matters as much as the number. More than eight in 10 repeat findings relate to compliance or financial management. The same weaknesses in procurement, statutory compliance, and basic financial controls recur in the same areas year after year.
86. Of the 68 findings on non-compliance with acts and regulations, 37 were repeat findings – just over half the total. Of the 37 repeat findings, 29 (78 per cent) relate to non-compliance with the *Procurement Act* and *Procurement Regulations*. This non-compliance mainly relates to direct-award breaches, failure to publish award requirements, and general procurement governance shortcomings, such as missing business cases and a lack of endorsement by the Public Procurement Committee (PPC) and the Entity Procurement Committee (EPC).
87. More than a third (24) of financial management findings were repeated. These repeated findings spanned several categories, but most concerned weaknesses in receivables, billing, collections, inventory management, revenue recognition, and management of leave and compensatory time balances. Compensatory time is additional hours staff work but are not usually paid for, although they can be taken as time off in lieu.

THE QUALITY OF FINANCIAL STATEMENTS NEEDS TO IMPROVE

88. Effective financial management requires robust internal controls, accurate record-keeping, proper authorisation procedures, adequate segregation of duties, and timely financial reporting that adheres to established accounting standards and statutory requirements. Poor financial controls

expose organisations to fraud, asset misappropriation, and costly compliance breaches that can lead to legal action and reputational damage.

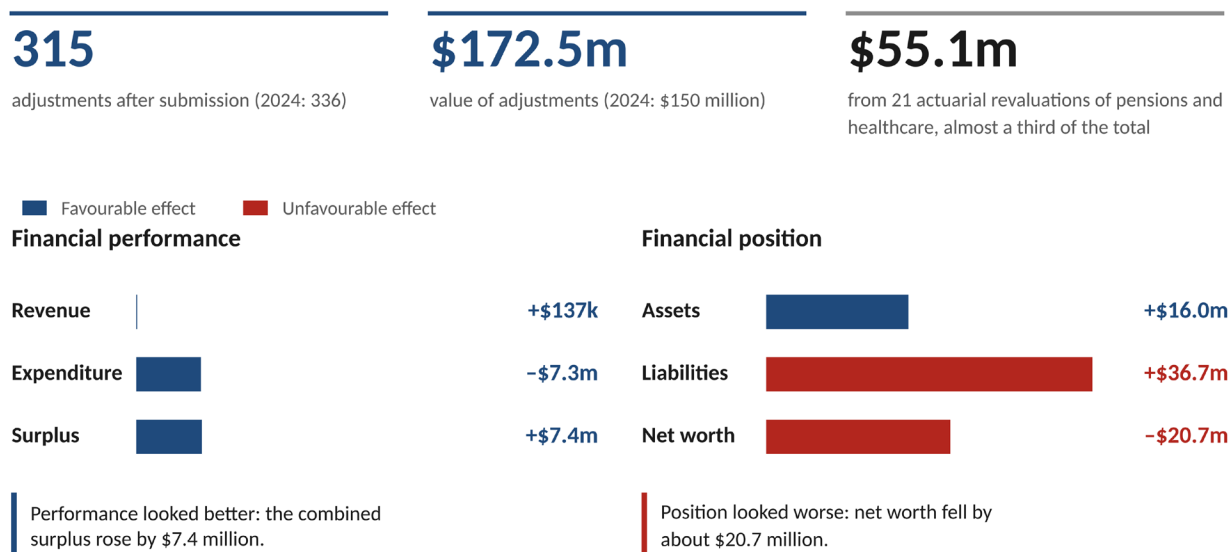
89. This section of the report discusses the numbers and values of audit adjustments, significant deficiencies in financial management and lack of disclosures in financial statements. It also comments on upcoming changes to accounting standards.

SIGNIFICANT ADJUSTMENTS NEED TO BE MADE TO THE FINANCIAL STATEMENTS SUBMITTED FOR AUDIT TO PROVIDE A CLEAN AUDIT OPINION

90. Forty-two of 48 public bodies submitted their financial statements for audit by the statutory deadline of 28 February 2026. The six that submitted late were the CINM, the PSPB, the OCP, the MYSCH, the UCCI and the CNCF.
91. The quality of the information submitted needs to improve. A key indicator of the quality of the financial statement preparation process is the number and value of material audit differences. Well-prepared financial statements typically require minimal audit adjustments.
92. Public bodies made numerous adjustments after submitting their 2025 financial statements for audit, and many financial statements omitted disclosures required by the accounting standards. Material adjustments and additional disclosures were required before I could issue my audit opinions. When financial statements are inaccurate at submission, decisions made during the year may be based on incorrect information.
93. Throughout the process of auditing financial statements, any material audit differences identified are communicated to public bodies. Material audit differences are errors or misstatements found during an audit that are significant enough to affect users' decisions about the financial reports. For 2025, public bodies needed to make 315 adjustments (336 in 2024) to the financial statements after the audit had commenced, valued at \$172.5 million (\$150 million in 2024). Exhibit 23 shows the impact of adjustments made to the 2025 financial statements after the audit had commenced.

Material adjustments and additional disclosures were required before I could issue my audit opinions. When financial statements are inaccurate at submission, decisions made during the year may be based on incorrect information.

Exhibit 23: Impact of audit adjustments made to the 2025 financial statements



Source: OAG analysis of the 2025 public bodies' audit adjustments.

94. These adjustments had a significant impact on public bodies' financial performance and position.

Overall, the adjustments:

- increased revenue by over \$137,000 and reduced expenditure by over \$7.3 million, and the combined public body surplus therefore increased by \$7.4 million, improving public bodies' reported financial performance;
- increased assets by \$16 million and liabilities by almost \$37 million, with public bodies' net worth falling by about \$20.7 million as a result, worsening their overall financial position.

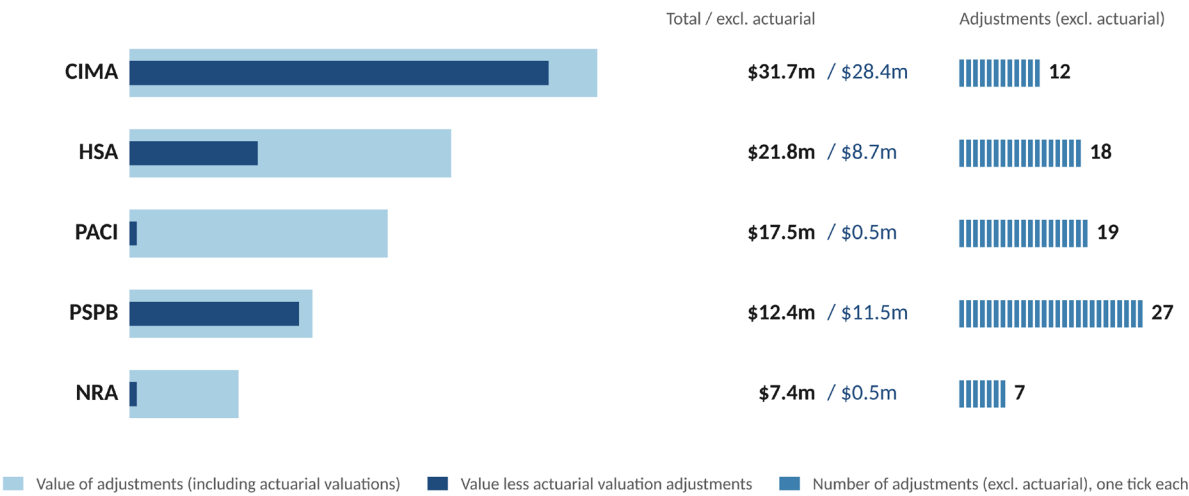
95. Not all adjustments reflect errors by public bodies. Pension and post-employment healthcare revaluations account for 21 adjustments valued at \$55.1 million, almost a third of the total value of adjustments of \$172.5 million. These 21 adjustments affected expenses, liabilities, assets, and equity. These rest on actuarial valuations carried out after year-end, and I expect public bodies to incorporate them into the financial statements they submit for audit. However, actuarial reports still arrive more than two months after year-end, so revised figures are incorporated part-way through the audit. Public bodies are therefore submitting incomplete financial statements. I present the fluctuations in healthcare and pension obligations between 2021 and 2025 in Exhibits 13 and 14.

96. Taken together, the adjustments are not minor corrections. Some public bodies reported financial performance and positions during the year that differed materially from the audited outcomes.

97. Excluding actuarial valuation adjustments, public bodies made 294 adjustments worth \$117.4 million in 2025. On the same basis, each public body made an average of nine adjustments worth \$3.8 million for the 31 public bodies with adjustments.

98. Exhibit 24 shows the five SAGCs with the highest value of audit adjustments passed for the 2025 financial year and the value of adjustments when the actuarial valuation adjustments are not considered. It also shows the number of adjustments minus actuarial valuation adjustments. These five SAGCs account for 87 per cent of the \$56.8 million value of adjustments passed by SAGCs (excluding actuarial valuations) and 58 per cent of the 143 adjustments passed by SAGCs.

Exhibit 24: SAGCs with the highest value of adjustments, 2025



Source: OAG analysis of the 2025 public bodies’ audit adjustments.

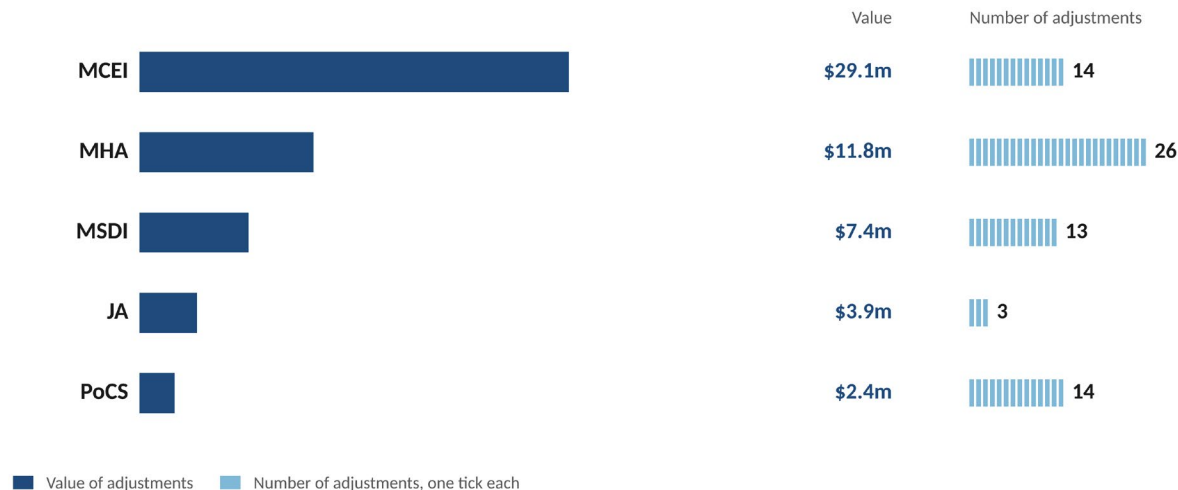
99. Exhibit 24 shows that CIMA had the highest value of adjustments, after removing actuarial valuation adjustments, at \$28.4 million. This includes \$7.4 million of reclassifications between reserves. These move amounts within the accounts and are not usually errors. CIMA’s adjustments increased its revenue by nearly \$2.3 million and its expenses by over \$376,000, raising its surplus by \$1.8 million. The adjustments also increased CIMA’s assets by \$1.9 million and its liabilities by almost \$5 million, reducing its net worth by almost \$3.1 million. The adjustments improved CIMA’s reported operating performance while worsening its financial position.

100. The PSPB had the most adjustments (27) and the second-highest value of adjustments, at \$11.5 million, after removing actuarial valuation adjustments. These adjustments increased the PSPB’s expenses by more than \$500,000 and revenue by \$97,000. As a result, its operating deficit increased, further weakening its reported 2025 financial performance. The adjustments also increased the PSPB’s assets by more than \$5.6 million and its liabilities by \$6 million, reducing its net worth by more than \$387,000. The adjustments worsened the PSPB’s overall financial performance and financial position.

101. Exhibit 25 shows the five core government entities with the highest values of audit adjustments passed for the 2025 financial year. These audit adjustments account for 90 per cent of the

\$60.6 million total value of adjustments and 46 per cent of the 151 total adjustments passed by core government entities.

Exhibit 25: Core government entities with the highest value of adjustments, 2025



Source: OAG analysis of the 2025 public bodies' audit adjustments.

102. Exhibit 25 shows the following:

- The MCEI had the highest value of adjustments at \$29.1 million. These adjustments reduced its revenue by about \$116,000 and increased expenses by almost \$1.8 million, reducing the surplus by \$1.9 million. The adjustments also reduced the MCEI's assets by \$1.2 million and increased its liabilities by \$11.3 million, reducing its net worth by \$12.5 million. The adjustments worsened the MCEI's financial performance and financial position.
- The MHA made the most adjustments (26) to its financial statements after submission for audit. These adjustments increased revenue by almost \$1.4 million and reduced expenses by \$35,000. As a result, its surplus increased by over \$1.4 million. The adjustments also increased assets by more than \$7.3 million and liabilities by \$3.4 million, increasing the MHA's net worth by almost \$4.0 million.

POOR-QUALITY FINANCIAL STATEMENTS CONTRIBUTE TO BACKLOGS

103. As at 10 September 2026, my Office had completed 12 backlogged audits since the last general report. Four of these were Ministry of Health audits for 2020–2023, and I issued a disclaimer of opinion on each.¹⁵ As a result, there were no adjustments to these financial statements. This allowed us to complete audits of more recent periods on time. I will conduct compliance audits for

¹⁵ The entity's name has changed over the years. In 2020, the entity was called the Ministry of Health, Environment, Culture and Housing. In 2021, the name changed to the Ministry of Health and Wellness. It remained so until 1 July 2025, when the entity was discontinued as part of the Government's reorganisation following the April 2025 general election.

these periods to gain assurance over the reported balances. My Office is now auditing the MHW’s 2024 financial statements.

104. The quality of the financial information submitted for the other eight audits – five audits of four public bodies and three EPS audits – was poor. The number and value of adjustments made after submission show this. For example, the audit of the CIAA’s 2021 financial statements resulted in 32 adjustments totalling over \$92.7 million. The 2024 audit of the Ministry of Planning, Lands, Agriculture, Housing, Infrastructure, Transport & Development (MPLAHITD) required 22 adjustments totalling over \$3.2 million. In most cases, the supporting schedules and financial records did not accurately reflect the balances, leading to repeated revisions and rework by my staff.

The CIAA’s 2021 financial statements resulted in 32 adjustments totalling over \$92.7 million.

105. Exhibit 26 shows the five public body audits completed between 10 September 2025 and 10 September 2026, with the number and value of adjustments for each. It excludes the EPS audits.

Exhibit 26: Backlogged audits completed and the numbers and values of adjustments made between September 2025 and September 2026

Public body	Audit year	Date issued	Number of adjustments	Value of adjustments
CIAA	2021	8 May 2026	32	\$92,739,773
MPLAHITD	2024	1 May 2026	22	\$3,231,891
CTC	2024	15 July 2026	6	\$2,719,096
CINM	2024	13 January 2026	10	\$152,000
CTC	2023	5 November 2025	7	\$117,460
Total			77	\$98,960,220

Source: OAG analysis of the public bodies’ ISA 260 Reports.

THE FINANCIAL MANAGEMENT OF PUBLIC BODIES NEEDS TO IMPROVE

106. As noted earlier, we identified 65 financial management findings in 2025. Financial management deficiencies account for 39 per cent of all audit findings, raising significant concerns about the integrity of public sector financial reporting. We categorised these financial management issues into 11 themes, including critical areas such as revenue recognition for outputs. Exhibit 27 summarises the themes, highlighting their frequency of occurrence, the number of public bodies affected and the main issues identified.

Exhibit 27: Analysis of themes from findings related to financial management

Theme	Number of issues	Public bodies affected	Share of total	Key issues
Revenue recognition, billing and revenue controls Output revenue is recognised or billed on an appropriation-based, straight-line basis rather than on outputs delivered or costs incurred. Control gaps also exist over the completeness and validity of revenue records.	15	10	23%	- Notional monthly or quarterly billing based on the appropriation amount - Inconsistent methodologies across output groups - Unbilled costs because the appropriation cap had been reached - Unit costs were calculated using only some approved performance measures - Actual output quantities not provided for the audit - Revenues reversed without a logged reason - Absence of promissory notes from self-pay clients and sequential gaps - Incomplete and out-of-date register
Financial reporting standards, estimates and valuation Recognition, measurement and estimation errors in the financial statements, including lease accounting under IPSAS 43/IFRS 16 and non-compliance with other IPSAS/IFRS requirements.	10	6	15%	- Failure to apply, or inappropriate application of, IPSAS 43 and IFRS 16 on leases - Heritage assets not recognised under IPSAS 45 - Leasehold improvements depreciated over differing useful lives (IAS 16) - No clear review of deferred revenue; inconsistent budgeted hours; USD amounts not converted at spot rate - Errors in census data used for pension and healthcare liabilities
HR, leave and staffing Weak control over leave balances, recruitment and staffing capacity, including dependence on key individuals.	6	5	9%	- Opening leave balances did not agree with leave schedules, and days taken did not agree with signed leave forms - Employees with more than 25 leave days outstanding; missing signed forms; leave taken outside MyVista - Extended sick leave on full pay without valid medical certificates - Interns moved into permanent posts without open competition - Key person dependence
Inventory management Weak inventory recording, counting, system consistency and valuation.	6	3	9%	- Mix of perpetual and periodic systems and reorder levels maintained manually; expiry dates not tracked - Negative inventory balances impacting the value of inventory - Overstated cost of sales and unit-of-measure errors - Inventory issued without records and written off without approval, despite repeated recommendations - Inventory variances

Exhibit 27: Analysis of themes from findings related to financial management (continued)

Theme	Number of issues	Public bodies affected	Share of total	Key issues
Budgeting, planning and financial sustainability Budgets and plans that do not match operating costs or service demand, and liquidity or reserve pressures.	5	5	8%	- Budget insufficient to cover operating costs - Discount recorded to cap billings at the appropriation; recurring variances - Deficits and no formal written recovery plan - Contingency reserve below the 90-day operating cash policy
Long outstanding and unreconciled balances Aged balances left unresolved, unreconciled or unremitted.	5	4	8%	- Long outstanding receivables - Unposted deposits - Long-outstanding unearned revenue with no settlement or reconciliation - Unremitted executive collections
Review, approval and documentation controls Reviews and approvals are performed informally or without documented evidence.	5	3	8%	- Manual journal entries reviewed verbally, with no sign-off or system audit trail - No evidence of approval of ECL model - Storage charge waiver given verbally, with no written evidence - Official travel undertaken without approved application forms or documented business cases
Lease management Premises are occupied and rent paid without a current, legally binding lease agreement.	4	4	6%	- Leases expired with no new instrument - Expired leases on month-to-month payments - Missing agreements and open-ended terms
Contract management Missing or outdated contracts and agreements, and weak procurement practices.	4	3	6%	- No up-to-date contracts for revenue, causing billing delays, disputes and prolonged collection - Payments for mobile jamming equipment that was never delivered - No written contract for outsourced ticket sales - No binding ASO agreement for the indigent plan, raised in audits since 2014
Credit risk, loans and ECL Credit assessment, loan portfolio monitoring and expected credit loss (ECL) provisioning.	3	2	5%	- Outdated internal credit reviews - Matured loans - ECL calculation does not align with its 90-day default assumption
Compliance obligations Failure to meet statutory or reporting obligations.	2	2	3%	- No Notice of Interest (NOI) forms - Final trial balance and schedules not submitted on time
Total	65	22	100%	

Source: OAG analysis of the 2025 public bodies' ISA 260 reports.

ADEQUATE DISCLOSURES NEED TO BE MADE IN THE FINANCIAL STATEMENTS

107. Some public bodies did not disclose enough detail about some matters in their financial statements until my Office raised these issues. Accounting standards are designed to promote transparency and enable users to understand the information presented in financial statements.
108. Public bodies need to do more to ensure adequate disclosure in their financial statements, as required by IPSAS and the International Financial Reporting Standards (IFRS). Of the 48 public bodies, 13 SAGCs report under IFRS; the remaining 35 public bodies, including all core government entities, 13 SAGCs, the OAG, and the EPS, report under IPSAS. Financial statements submitted for audit often do not provide sufficient disclosure about new and upcoming accounting standards and their potential impact on the financial statements. Public bodies usually include this information in their disclosures only after my Office identifies the disclosures as inadequate and requests that they do so.

GOVERNMENT MUST PREPARE ADEQUATELY FOR CHANGES IN ACCOUNTING STANDARDS

109. Three new accounting standards came into effect for the 2025 financial year: *IPSAS 43 – Leases*, *IPSAS 45 – Property, Plant and Equipment* and *IPSAS 46 – Measurement*. These standards significantly affect the EPS and the 35 public bodies that report under IPSAS. One amendment to the IFRS also took effect: Lack of Exchangeability (Amendments to IAS 21). It applies to the 13 SAGCs that report under IFRS and had no significant impact on their 2025 financial statements.
110. The MFED coordinated the implementation of IPSAS 43. It arranged training for chief financial officers (CFOs) and their teams and worked with consultants to develop templates to apply the standard consistently across core government. However, while the MFED worked to streamline IPSAS 43 implementation, the standard resulted in 42 adjustments across 18 entities, totalling over \$38.0 million, before the audits could be finalised. These adjustments related to the recognition of right-of-use assets, lease liabilities, and related depreciation, accumulated depreciation and equity. Overall, IPSAS 43-related adjustments accounted for 22 per cent of the value of all identified adjustments for 2025. Additionally, I issued a qualified opinion for CAYS and the CINM for non-compliance with IPSAS 43 requirements.

While the MFED worked to streamline IPSAS 43 implementation, the standard resulted in 42 adjustments across 18 entities, totalling over \$38.0 million, before the audits could be finalised.

111. The poor implementation of IPSAS 45 and IPSAS 46 indicated that the respective public bodies were not adequately prepared. As a result, I issued a qualified opinion on the NGCI, the CINM, and the CNCF for non-compliance with IPSAS 45 requirements. IPSAS 45 requires the first-time recognition of heritage assets in the statement of financial position. Three public bodies failed to account for and value these assets properly. As a result, these public bodies underreported their assets.

The poor implementation of IPSAS 45 and IPSAS 46 indicated that the respective public bodies were not adequately prepared. As a result, I issued a qualified opinion on the NGCI, the CINM, and the CNCF for non-compliance with IPSAS 45 requirements.

112. Several accounting standard changes will take effect in the coming years, and many will significantly affect public bodies. Three new IPSAS (IPSAS 47, 48 and 49) took effect on 1 January 2026 for the EPS and the 35 IPSAS-reporting public bodies, together with amendments to IFRS 7 and IFRS 9 for the 13 SAGCs that report under IFRS. IFRS 18 – Presentation and Disclosure in Financial Statements will take effect on 1 January 2027. Appendix D details these new, revised and upcoming accounting standards.

113. Of the three new IPSAS standards that came into force on 1 January 2026:

- *IPSAS 47 – Revenue* is likely to have the most significant impact on public bodies. IPSAS 47 provides a single source of revenue accounting guidance for the public sector and presents two accounting models based on whether a binding arrangement exists. A binding arrangement is an agreement between two or more parties that creates enforceable rights and obligations. Public bodies must assess whether a binding arrangement exists and what rights and obligations it creates. Implementing IPSAS 47 will likely increase both revenue and liabilities.
- *IPSAS 48 – Transfer expenses* will likely have a significant impact on public bodies. IPSAS 48 guides accounting for transfers, other than taxes, to other parties without directly receiving equal value in return. This guidance did not previously exist. Public bodies must assess whether a binding arrangement exists before they recognise an obligation.
- *IPSAS 49 (Retirement Benefit Plans)* will likely have less impact on public bodies. It provides a principle-based approach to accounting for retirement benefit plans, offering a complete view of their financial activities, assets and obligations, and establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans.

114. The MFED needs to ensure that public bodies actively prepare themselves for these upcoming IPSAS and IFRS changes.

SOME PUBLIC BODIES DO NOT COMPLY WITH RELEVANT ACTS AND REGULATIONS

115. As reported previously, we noted 68 instances in 2025 of public bodies not complying with Cayman Islands Acts and Regulations. Complying with these requirements is a basic obligation of public administration. It protects public money, maintains trust in Government and ensures the law is followed. Non-compliance can lead to financial loss, legal exposure and a loss of public confidence.
116. Exhibit 28 summarises the breaches we identified, how often each occurred, how many public bodies were affected and the main issues. Breaches of the *Procurement Act* and *Procurement Regulations* are the most common, accounting for almost 80 per cent of all compliance breaches across 20 public bodies. I discuss these below, with examples.

Exhibit 28: Summary of violations related to non-compliance with acts and regulations

Legislation/regulation	Number of breaches	Public bodies affected	Share of total	Description and key compliance areas
Procurement Act (2023 Revision) and Procurement Regulations (2022 Revision)	 54	20	79%	Violations of procurement laws and regulations across multiple entities Widespread non-compliance
Public Authorities Act (2020 Revision)	 4	3	6%	Violations of governance and operational requirements for public authorities Non-compliance issues
Public Management and Finance Act (2020 Revision)	 4	4	6%	Financial management and accountability violations - Financial governance breaches - Core financial management non-compliance
Personnel Regulations (2022 Revision)	 3	2	4%	Violations of personnel management Acting appointment and duty allowance violations
Utility Regulation and Competition Act	 2	1	3%	Utilities regulation compliance violation - Inadequate board committee composition - Failure to publish the annual plan
Port (Amendment) Regulations, 2023	 1	1	1%	Port management compliance violation Charging fees without a basis in the regulation
Total	68	25	100%	

Source: OAG analysis of the 2025 public bodies' ISA 260 reports.

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

117. The *Procurement Act* and supporting *Procurement Regulations* came into force on 1 May 2018. They were introduced to improve public sector procurement and better demonstrate value for money. Public bodies must comply with the provisions of the *Procurement Act (2023 Revision)* in all procurement transactions. It is disappointing that 54 instances of non-compliance with the *Procurement Act* and *Procurement Regulations* were recorded for 20 public bodies, particularly as this issue has persisted for several years since their introduction. It is also disappointing that many

of these instances recur, as in previous years. Exhibit 29 summarises the types of non-compliance with the *Procurement Act* and *Procurement Regulations* across the 20 public bodies affected.

Exhibit 29: Summary of incidents of non-compliance with the *Procurement Act* and *Procurement Regulations*

Theme	Number of issues	Public bodies affected	Share of procurement issues	Key issues
Direct award violations	19	12	35.2%	Direct awards in contravention of section 5 of the Procurement Regulations (2022 Revision)
Failure to publish or disclose contract awards	12	9	22.2%	Contract awards not published on the website designated by the CPO, contrary to section 19 of the Procurement Regulations (2022 Revision)
Inadequate business case, appraisal, EPC/PPC approval and local impact assessment	11	8	20.4%	Insufficient evidence of compliance with sections 3 and 16 of the Procurement Regulations (2022 Revision)
No evidence of competitive tendering, quotations or public notice of opportunity	6	5	11.1%	Lack of evidence of competition in the procurement process
Inadequate documentation and contract splitting	4	3	7.4%	Inadequate documentation maintained and splitting of contracts
Principles of procurement/value for money	1	1	1.9%	Automatic renewal of contracts with no end dates
Contract review by the Attorney General's Chambers	1	1	1.9%	No contract review by the Attorney General's Chambers
Total	54	20	100%	

Source: OAG analysis of the 2025 public bodies' ISA 260 reports.

DIRECT AWARDS ARE BEING AWARDED WITHOUT ANY DEMONSTRATION THAT CONDITIONS HAVE BEEN MET

118. Direct awards account for more than a third of procurement breaches across 12 public bodies. A direct award is a contract given to a single supplier without inviting bids or proposals from other suppliers.
119. Section 5 of the *Procurement Regulations* sets out the conditions a public body must meet before awarding a contract directly. It also requires the Chief Officer, the EPC or the PPC to approve direct awards, depending on the value. Our audits found several cases where public bodies awarded contracts directly without meeting these conditions, or without evidence that they had been met:
 - MACI engaged 44 surveyors and independent contractors at \$3.6 million without justification for direct award. Additionally, the PPC did not endorse the procurement.
 - The MFED directly procured services at \$81,000 with no adequate justification, as other service providers existed.
 - The NRA's use of direct procurement for equipment at \$56,000 was not justified, as there were other capable suppliers. The NRA also used direct procurement for paving supplies and installation from a single-source supplier. In addition, it issued \$5.2 million in contracts for supplies and installation without PPC approval.

- The OMB and the ODPP procured legal services and spent \$127,000 and \$168,000, respectively, in 2025. The basis for the exceptional circumstances relied upon to award the contracts was not well supported.
- WACI paid two vendors amounts exceeding \$250,000 without evidence of the required endorsement of the PPC.
- PoCS incurred election expenditure of \$65,000 through direct award, and the necessary justification did not support this.
- The MHA's cumulative direct awards for radio systems maintenance and CCTV masts exceeded \$250,000, but PPC endorsement was not obtained.

CONTRACTS ARE BEING AWARDED WITHOUT THE NOTICE OF THE AWARD OF PROCUREMENT BEING PUBLISHED ON THE CENTRAL PROCUREMENT OFFICE'S WEBSITE

120. The failure to publish contract awards accounts for 22 per cent of all procurement breaches and involves nine public bodies. Publishing awards is what makes procurement transparent. Where public bodies do not publish, the public and Parliament cannot see which suppliers received contracts, for what value or on what basis. This weakens accountability for how public money is spent because it removes the main check on whether the rules were followed.

121. Section 19(1) of the *Procurement Regulations* requires public bodies to publish notice of a procurement award on the website designated by the Central Procurement Office (CPO) within 30 days of the contract taking effect. Section 19(4) requires awards below \$10,000 to be published within a year. Several public bodies did not meet these requirements. Examples include the following:

- The ODPP and the CINM did not publish any of their contract awards on the CPO's website within the required timelines.
- CIMA did not publish notice of its award for on-site inspection services worth \$1.1 million.
- The NRA and the MFED did not publish award notices for goods and services worth \$2.7 million and about \$81,000, respectively.
- PACI published only one of the 23 procurement projects we examined. The unpublished awards total \$862,000.
- MACI did not publish the awards for 44 surveyors and independent contractors engaged directly, worth \$3.6 million in total.
- The MHA awarded contracts for goods and services with an aggregate value of \$1.4 million without publishing notices of awards.
- PoCS did not publish two direct award contracts totalling \$65,000.
- The MDAL did not publish the contract award for the purchase of heavy-duty vehicle equipment worth \$837,000 on Bonfire, the CPO-designated website.

GOODS AND SERVICES ARE BEING PROCURED IN BREACH OF APPROVAL THRESHOLDS AND PROCUREMENT COMMITTEE ENDORSEMENTS

122. Failures to obtain procurement committee approval account for about 20 per cent of all procurement breaches and involve eight public bodies. These cases involve public bodies that did not seek the required endorsement from their EPC or the PPC.

123. Section 5(3)(c) of the *Procurement Regulations* requires direct procurements with a value of \$250,000 or greater to be approved on the advice of the PPC. Further, section 16(1)(b) requires that, for projects valued at \$100,000 or more but below \$250,000, the Chief Officer or Chief Executive Officer approve the award on the EPC's advice. For a project valued at \$250,000 or more, it is on the PPC's advice. However, through the 2025 audits, I noted more than \$9 million of spending without the required approvals, including:

More than \$9 million was spent without the procurement checks designed to secure value for money and fair competition.

- The MFSC could not provide evidence that it tendered its engagement with Brac Informatics or obtained PPC approval, which is required for projects above \$250,000. It spent an estimated \$4.4 million with this supplier in 2025.
- WACI had no approved business cases before procurement started for three vendors whose individual or aggregate spend exceeded \$100,000.
- MACI did not obtain PPC approval for the 44 surveyors and independent contractors it engaged directly, spending \$3.6 million.
- The MHA did not obtain PPC approval for four contracts totalling at least \$1.4 million agreed during the year.
- URCO did not obtain review and endorsement from its EPC for a contract above the \$100,000 threshold. Cumulative expenditure over the past three years is about \$190,000.

124. Paragraph 2.5 of the *CPO Procurement Policies and Procedures (2023)* requires public bodies to report contract modifications that increase the contract value by more than 15 per cent to the CPO and the relevant procurement approval committee. The OMB paid one legal services provider \$448,000, exceeding the \$250,000 threshold. The OMB did not report the contract modifications exceeding the 15 per cent threshold to either the CPO or the PPC, the relevant procurement approval committees.

GOODS AND SERVICES PROCURED WITHOUT REQUIRED BUSINESS CASE AND LOCAL IMPACT ASSESSMENT DOCUMENTATION

125. Section (3)(1) of the *Procurement Regulations* requires procurement processes to be initiated by an entity only after the procurement project has been appraised and the results documented in an

approved business case. I noted instances where public bodies procured goods and services without the required business case documentation.

- The MCEI procured software development services for its new jobs and online payment platforms, at a cost of close to \$128,000, without the business case being approved by the Chief Officer and the EPC.
- The MHA did not prepare a business case for its procurement of food and general supplies or for the electronic monitoring system, totalling at least \$863,000.

126. Section 3(3)(c)(ii) of the *Procurement Regulations* requires procurement processes to be initiated for projects valued at \$250,000 or more but below \$10 million after a written local impact assessment has been prepared and appended to the business case. The MYSCH did not carry out a local impact assessment for works estimated at \$275,000.

GOODS AND SERVICES WERE PROCURED WITHOUT THE NECESSARY COMPETITION

127. Section 6 of the *Procurement Regulations* requires every entity to provide a public notice of opportunity of all procurement projects with a value of \$100,000 or greater by publishing the notice on the website designated by the CPO. I noted instances where public bodies procured goods and services without notifying the public of the opportunity:

- The MHA procured food and general supplies, an electronic monitoring system, maintenance and support for radio systems, and preventative maintenance for masts for at least \$1.4 million without evidence that it published notice of any opportunity.
- CAYS carried out renovations of about \$332,000 during the year without evidence that it tendered competitively before contracting with the suppliers.
- The Cayman Islands Parliament procured recording and transcription services without evidence of a competitive process. PARL paid about \$116,000 in total between 2023 and 2025 for these services.
- The CNCF did not obtain at least three quotations for six of the nine procurements we sampled, as section 7(2)(b) of the *Procurement Regulations* requires.
- PACI entered into four contracts totalling \$139,747 but received only two quotations for each, contrary to section 7(2)(b).

STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES ARE NOT FULLY COMPLIANT WITH THE PUBLIC AUTHORITIES ACT

128. The PAA came into force on 1 June 2018 and aims to provide uniform regulation of public authority management and governance. The implementation of section 47 of the PAA was delayed until June 2019.

129. The PAA sets out how SAGCs are expected to determine staff's terms and conditions and remuneration. Sections 47 (1) and 47 (2) of the PAA require all SAGCs to use the same salary scale, as determined by the Cabinet, and all jobs to 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 the terms and conditions of employment at a SAGC differ from those for the civil service, the SAGC salary grades be adjusted accordingly to reduce those differences.
130. All SAGCs were required to conduct job evaluations of existing positions in their organisations, to determine whether the salary bands for these positions aligned with the salary scale determined by the Cabinet and to ensure compliance with PAA requirements. SAGCs could not conduct these evaluations internally, so they engaged PoCS to do so on their behalf.
131. Most SAGCs implemented section 47(1) in previous years. However, my Office noted that the CAA and CIMA have not yet fully complied with section 47(1) of the PAA, as they have not adopted the revised salaries resulting from job evaluations. Therefore, I have included this as an "emphasis of matter" paragraph in the audit opinions on their 2025 financial statements.
132. The 2021 and 2022 General Reports recommended that CIMA and the CAA urgently complete the implementation of section 47 of the PAA to ensure full compliance.¹⁶ The Public Accounts Committee (PAC) endorsed this recommendation in its May 2024 report, which was laid in Parliament in July 2024.
133. In January 2025, PAC took testimony from the Chief Executive Officer and the Board Chairman of CIMA during its hearing on the 2023 General Report.¹⁷ PAC was persuaded by testimony from two CIMA witnesses about the difficulties they encountered implementing section 47(1) of the PAA. PAC noted the difficulty CIMA faces with staff recruitment and retention and emphasised the importance of it being properly staffed and functioning effectively to the Cayman Islands' economy.
134. In its 2025 financial statements, CIMA stated that PoCS had not yet finished evaluating its salary grades against those of the civil service. CIMA carried out its own market survey and salary benchmarking exercise, using local, overseas and SAGC comparators, to assess the effect of complying with section 47 of the PAA. Its senior management and board were still reviewing the results.

¹⁶ *Financial Reporting of the Cayman Islands Government: General Report 31 December 2021*, Office of the Auditor General, October 2022 and *Financial Reporting of the Cayman Islands Government: General Report 31 December 2022*, Office of the Auditor General, October 2023.

¹⁷ *Financial Reporting of the Cayman Islands Government: General Report 31 December 2023*, Office of the Auditor General, November 2024.

135. Similarly, the CAA stated in its 2025 financial statements that the Cabinet has not approved salary grades for public authorities. It said it therefore could not evaluate its own salary grades against them or adjust its financial statements to the effect of section 47 of the PAA. The CAA also said it could not estimate that effect, so it made no provision for it.

136. In the 2025 financial year, I noted that following the NGCI's issuance of new contracts at hourly rates to its employees in 2024, the salary rates do not align with the civil service pay scales.

PUBLIC AUTHORITIES ACT – BOARD MATTERS

137. The PAA requires the Cabinet to appoint a board for each SAGC. This board governs and oversees the respective SAGC. Section 8(1) of the PAA requires the board to include a chairperson and at least four other members. The CIDB has not adequately constituted its board, with fewer members than required, which limits its governance and oversight capacity.

138. Section 17(1)(a) of the PAA requires the board to meet at least once every three months, and additionally whenever the governance of the public authority requires it. The NDC's board met only once in 2025, breaching the PAA's minimum requirement.

SUPPLEMENTARY APPROPRIATION BILLS WERE NOT TABLED IN TIME

139. The PMFA requires a *Supplementary Appropriation Bill* to change the budget and authorise financial transactions already granted for a financial year. 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 2025* was not introduced in Parliament by 31 March 2026 as required by the PMFA. Therefore, I included emphasis of matter paragraphs in the audit opinions for 11 public bodies. These are discussed later in the **Status of audits and financial reporting** chapter.

GOVERNANCE IN PUBLIC BODIES NEEDS TO IMPROVE

140. Governance is the system by which an organisation is directed, controlled and held to account. It covers the oversight boards, audit committees, and senior management provide over operations, financial management, risk, and compliance. Good governance sets the tone from the top. It gives an organisation direction, establishes who is accountable for public money and provides the framework within which everything else operates.

141. As noted previously, we reported 14 governance issues in our 2025 audits. We identified these issues in 10 public bodies. For example, we identified poor board meeting attendance, which affects quorum and decision-making and reduces oversight effectiveness. We also noted the absence of Notice of Interest forms, which increases the risk of reduced transparency, ethics violations, potential conflicts of interest, integrity failures, and compliance breaches. Exhibit 30 summarises the

violations identified, how often each occurred, the public bodies affected and the main issues that arose as a result. My Office is currently conducting a comprehensive performance audit examining the effectiveness of governance practices in SAGCs, which will provide detailed insights into governance frameworks and practices.

Exhibit 30: Governance-related audit findings

Theme	Number of violations	Public bodies affected	Share of total	Key issues
Conflicts of interest declarations	 4	4	29%	- Incomplete disclosure of all related conflicts - Late completion of Notice of Interest forms - Notice of Interest (NOI) forms not provided for key management personnel - No declarations of interest from board members
Board meeting governance and oversight	 3	3	21%	- Board meeting frequency and governance oversight concerns - Absence of Audit Committee meeting minutes - Inadequate board attendance by ex-officio members
Board composition and structure	 2	2	14%	Inadequately constituted board
Risk management	 1	1	7%	Gaps in risk management
Performance monitoring	 1	1	7%	Deficiencies in output revenue and performance monitoring
Audit recommendation follow-up	 1	1	7%	Failure to implement agreed audit recommendations
Board approval of financial decisions	 1	1	7%	No board approval for the leave pay-out of the Managing Director
Board involvement in operational matters	 1	1	7%	Board involvement in operational matters
Total	14	10	100%	

Source: OAG analysis of the 2025 public bodies' ISA 260 reports.

142. Conflict-of-interest declarations account for 29 per cent of the governance issues noted. We noted four instances in four different public bodies where there was no evidence that key staff and board members declared their interests, or that they did so fully or on time. For example:
- the MHA did not provide Notice of Interest forms for two key management staff members;
 - the CINM did not provide Notice of Interest forms for board members;
 - at HSA we noted that some senior managers did not disclose all their related conflicts;
 - we noted late completion of Notice of Interest forms at the OCP.
143. We also noted anomalies in board composition, meeting frequency and oversight. The URCO and CIDB boards were not adequately constituted as required by the *Utility Regulation and Competition Act* and the *Development Bank Act*. This hinders governance, oversight and regulatory compliance.
144. PACI did not take adequate corrective action on several audit recommendations issued by my Office. Because these issues remain unresolved, the risks we initially identified persist and worsen the longer they remain unaddressed.

GOVERNMENT REORGANISATION IS DISRUPTIVE

145. The Government reorganised on 1 July 2025 following the April 2025 general election. It created two new core government entities, closed four, and reallocated departments and units among the remaining entities. The MDAHA and the MHES were created on 1 July 2025. The MHA, the MDAL, the MHW and the MSCR closed on 30 June 2025.
146. The Government's reorganisation delayed some of the 2025 audits. Chief financial officers of the closed and newly created core government entities could not agree on the transferred balances, and my staff could not complete their work until those disagreements were settled. At the MSCR, the delay was compounded when its chief financial officer moved to a new post. Their attention is now on the entity they run, which is reasonable, but no one is clearly responsible for finalising the MSCR's financial statements. As a result, the MSCR audit began in September 2025 and remains unfinished 12 months later. The MDAHA audit began in February 2026 because the ministry asked us to delay the start, and it remains in progress as at 10 September 2026.

STATUS OF AUDITS AND FINANCIAL REPORTING

147. This chapter provides an update on the status of all audits. This covers the 2025 audits, the backlogged audits and the EPS audit. It also comments on the timeliness of public bodies' submission and tabling of financial statements and annual reports.

STATUS OF 2025 AUDITS

THE AUDITS OF 37 PUBLIC BODIES' FINANCIAL STATEMENTS FOR 2025 HAVE BEEN COMPLETED

148. As at 10 September 2026, my Office had completed the 2025 audits of 37 of the 48 public bodies. My Office and the firms contracted on our behalf completed audits of 35 of these bodies by the statutory deadline of 30 April 2026.

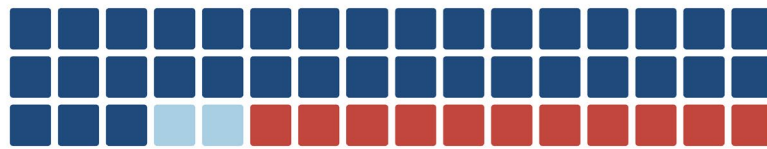
149. We completed the PSPB and CAB audits after the statutory deadline of 30 April 2026. The PSPB submitted its financial statements late. Both the PSPB and CAB audits raised many findings and prompted many adjustments. We identified weaknesses in how both bodies prepare their financial statements. As a result, we performed additional procedures to obtain sufficient evidence that the financial statements are not materially misstated.

150. Eleven 2025 audits remain outstanding as at 10 September 2026. At the cut-off date for finalising this report, audits for seven public bodies were still in progress: the MPLAHI, the MDAHA, the CTC, the UCCI, the SIAHDC, the MSCR and CAL. My Office has not yet started audits for the other four public bodies, the CIAA, the MHW, the MHES and the NHDT, because their previous-year audits are still outstanding.¹⁸

151. Exhibit 31 shows the number and proportion of completed 2025 audits, excluding the EPS. We completed 73 per cent of the 2025 audits by 30 April 2026, down from 78 per cent the year before. In comparison, we achieved 85 per cent in 2023, 76 per cent in 2022 and 66 per cent in 2021.

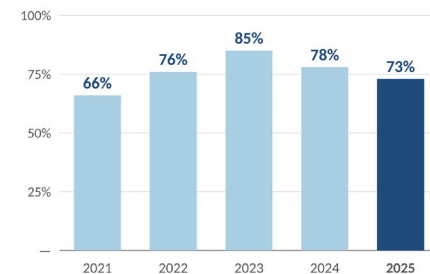
¹⁸ The 2025 audit for SIAHDC and the 2022 audit for CIAA were completed after cut-off of this report.

Exhibit 31: Completion of the 2025 entity audits



Date audit was completed by	Number of audits	Percentage	Cumulative percentage
■ By 30 April 2026 (statutory deadline)	35	73%	73%
■ By 10 September 2026 (PSPB and CAB)	2	4%	77%
■ Outstanding (7 in progress, 4 not started)	11	23%	100%
Total	48	100%	

Audits completed by 30 April, 2021–2025



Note: See Exhibit 36 for audits in progress as at 10 September 2026.

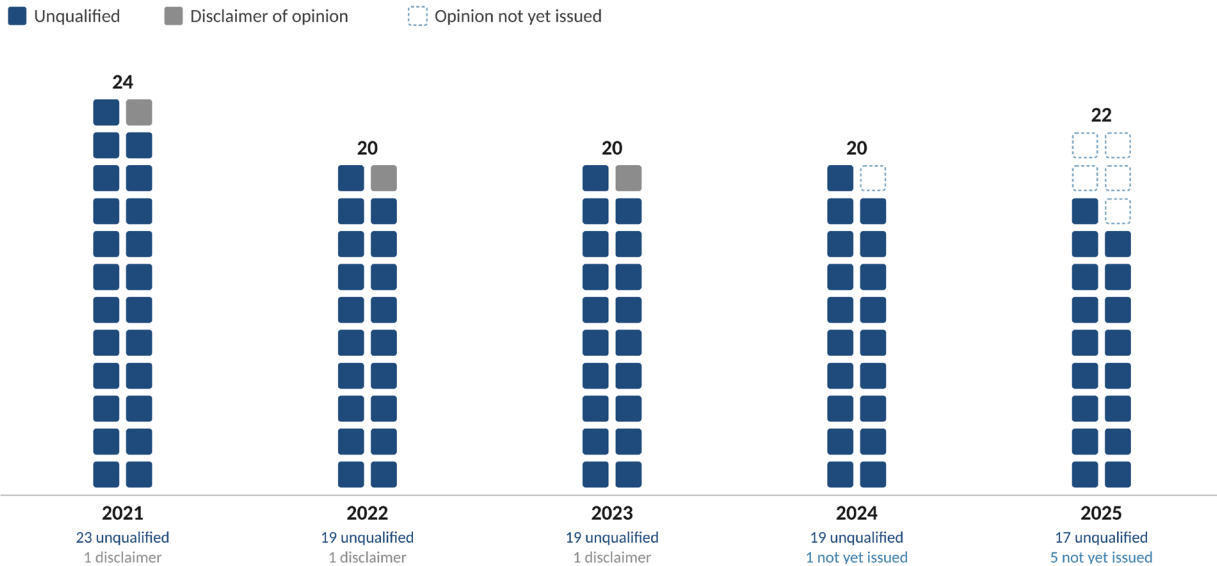
Source: OAG analysis of 2025 financial statement sign-off dates.

MOST AUDIT OPINIONS ISSUED FOR 2025 ARE UNQUALIFIED

152. I issued 31 unqualified (clean) audit opinions and six qualified opinions for the 37 completed audits for the 2025 financial year.

153. Exhibit 32 shows the number and type of audit opinions issued by my Office for core government entities over the five years from 2021 to 2025. The pattern remained consistent throughout the period. I disclaimed my opinion on the MHW financial statements for 2021, 2022 and 2023. The number of core government entities changed over the five years because of government reorganisations in 2021 and 2025. As at 10 September 2026, five 2025 opinions were outstanding: the audits of the MPLAHI, the MDAHA and the MSCR were in progress, and the audits of the MHW and the MHES had not started. The 2024 MHW audit was also still in progress.

Exhibit 32: Core government entities – audit opinions, 2021–2025

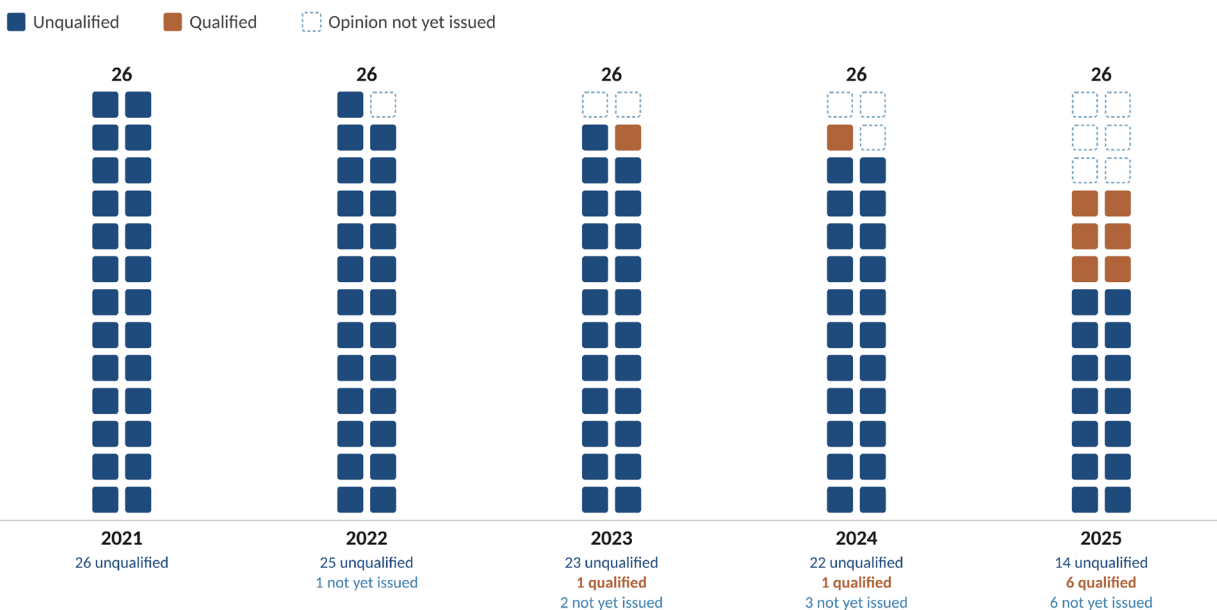


Note: The exhibit excludes the OAG and the EPS.

Source: Audited financial statements of core government entities from 2021 to 2025.

154. Exhibit 33 shows the number and type of audit opinions issued for SAGCs from 2021 to 2025. It shows that qualified opinions rose sharply in 2025. There were none in 2021 or 2022, one in both 2023 and 2024, and six in 2025.

Exhibit 33: SAGCs – audit opinions, 2021–2025



Source: Audited financial statements of SAGCs from 2021 to 2025.

155. MACI received a qualified opinion in 2023, 2024, and 2025 because we could not obtain sufficient appropriate evidence about the completeness, existence, and accuracy of its reported revenue and related balances in its statement of financial position.

SIX STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES RECEIVED QUALIFIED OPINIONS IN 2025

156. I issued qualified opinions on the 2025 financial statements of six SAGCs, up from one in 2024. A qualified opinion means that a specific part of the financial statements cannot be relied on, although the rest can. Exhibit 34 summarises the six qualifications.

I issued qualified opinions on the 2025 financial statements of six SAGCs, up from one in 2024.

Exhibit 34: Qualified audit opinions, 2025

SAGC	Inventory	Revenue	Heritage assets IPSAS 45 (new)	Leases IPSAS 43 (new)
Insufficient evidence to confirm balances				
HSA Health Services Authority	●			
MACI Maritime Authority of the Cayman Islands		●		
CNCF Cayman National Cultural Foundation			●	
Non-compliance with new standards – assets and liabilities understated				
CINM Cayman Islands National Museum			●	●
NGCI National Gallery of the Cayman Islands			●	
CAYS Children and Youth Services Foundation				●

Source: OAG analysis of the 2025 audited financial statements.

157. Exhibit 34 shows that the qualifications fall into two categories. Three SAGCs (the HSA, MACI, and the CNCF) did not provide sufficient evidence to confirm that balances were stated correctly. Three SAGCs (the CINM, the NGCI and CAYS) did not comply with international accounting standards, resulting in understated assets and liabilities. Four of the six qualifications relate to two new standards that took effect on 1 January 2025: *IPSAS 45 – Property, Plant and Equipment*, and *IPSAS 43 – Leases*. These are the qualifications of the CINM, the NGCI, CAYS, and the CNCF, which raised concerns about the evidence required to recognise heritage assets under IPSAS 45. I discussed these new standards in the **Key Audit Matters** for 2025 chapter of this report. The qualification issues are discussed in more detail next.

HERITAGE ASSETS

158. IPSAS 45 requires public bodies to include heritage assets, such as works of art and cultural artefacts, in their statement of financial position. They may leave them out only where they can show that a reliable value cannot practicably be measured. Three bodies holding national collections did not meet this requirement.
159. The CINM did not include any of its collection of over 12,000 artefacts in its financial statements. Management considered that the collection could not be reliably valued but did not provide sufficient evidence to support that view. I therefore concluded that leaving the collection out was a material departure from IPSAS 45, and that the CINM's heritage assets and accumulated surplus were materially understated.
160. The NGCI included only the works it had bought since 1 January 2019, valued at over \$235,000. It left out all works bought before that date and all donated works, which make up a significant part of the national collection. Curatorial experts have valued these works for insurance purposes, but management did not consider those values reliable enough for financial reporting. It did not provide sufficient evidence that a reliable value could not be measured. The NGCI's heritage assets, total assets and accumulated surplus were therefore materially understated.
161. The CNCF reported heritage assets of almost \$580,000, of which over \$410,000 related to its artworks. However, its artworks register includes 36 paintings with no recorded cost or value, which are not recognised in the financial statements. The financial statements also showed an unreconciled difference of almost \$25,000 compared with the register. I could not obtain sufficient evidence to determine whether the CNCF correctly stated its heritage assets.

PEPPERCORN LEASES

162. IPSAS 43 requires public bodies to recognise leased buildings as an asset and a corresponding liability. Where the rent is well below market value, known as a "peppercorn lease", the lease must be recognised at market value. The difference between the market rent and the rent paid is then recognised as revenue, reflecting the benefit the body receives.
163. The CINM holds a 50-year lease on the museum building in George Town at a nominal rent. CAYS holds a 25-year lease on the land and buildings of the Bonaventure Home and the Frances Boddien Children's Home at \$1 a year. Neither body could obtain a reliable market rent, so neither recognised these leases. As a result, their financial statements leave out the lease assets and liabilities, the related revenue, and the depreciation and interest that would follow. For both SAGCs, the lack of reliable information meant I could not quantify the misstatement.

INVENTORY

164. The HSA reported inventory of \$14.4 million and cost of sales of \$36 million in 2025. Management could not provide a reliable reconciliation of inventory movements to the general ledger. I therefore could not determine whether these balances needed adjustment.

REVENUE

165. MACI has received a qualified opinion for three consecutive years. In 2024, management recorded an entry of \$1.1 million, deferring surveyor fees received in advance. I could not obtain sufficient evidence to determine which financial year the entry related to. I therefore could not determine whether 2024 revenue or retained earnings at the start of 2024 needed adjustment. Because 2024 figures are shown for comparison in the 2025 financial statements, the 2025 opinion is also qualified.

SOME MATTERS HAVE BEEN HIGHLIGHTED THROUGH EMPHASIS OF MATTER PARAGRAPHS IN THE 2025 AUDIT OPINIONS

166. Although I issued 31 unqualified audit opinions for the 2025 financial year, I included emphasis of matter paragraphs in the audit opinions for 15 public bodies. I believe the matters highlighted in these paragraphs are significant, and I have brought them to the attention of financial statement users. Exhibit 35 summarises the significant issues raised as emphasis of matter paragraphs in the 2025 audit opinions.

Exhibit 35: Significant issues raised as emphasis of matter paragraphs in 2025 audit opinions

Public body	Supplementary Appropriation Bill not introduced by 31 March 2026 PMFA sections 11 and 12	Salary scales not compliant PAA section 47(1)	Going concern	Impairment of loan balances	Number of matters
CAYS	●	●	●	●	1
AOA	●	●	●	●	1
CAA	●	●	●	●	1
CIDB	●	●	●	●	2
CIMA	●	●	●	●	1
HSA	●	●	●	●	1
CAB	●	●	●	●	1
URCO	●	●	●	●	1
MHA	●	●	●	●	2
OMB	●	●	●	●	1
JA	●	●	●	●	1
OCP	●	●	●	●	1
MYSCH	●	●	●	●	1
MDAL	●	●	●	●	2
MTTD	●	●	●	●	1
Total	11	2	4	1	18

Source: Audit opinions for the respective public bodies.

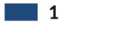
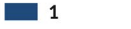
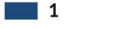
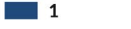
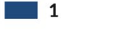
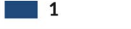
167. Eleven of the 15 emphasis-of-matter paragraphs in audit opinions resulted from the *Supplementary Appropriation Bill* not being introduced in Parliament by 31 March 2026, as required by sections 11 and 12 of the PMFA. As mentioned earlier, two SAGCs, CIMA and the CAA, are not compliant with section 47(1) of the PAA.

168. I included an emphasis-of-matter paragraph in the CIDB's audit opinion because it relies heavily on central government support. This raises concerns about the CIDB's going concern status, which is further exacerbated by impairments to its loan balances. I have highlighted these issues in audits and General Reports for previous years. Finally, I included an emphasis of matter paragraph in the audit opinions for the AOA, the MHA and the MDAL because of a modified basis of accounting relating to going concern. This is because these bodies either ceased to exist after 30 June 2025 (the MHA and the MDAL) or were expected to wind up operations during 2026 (AOA).

THE NUMBER OF BACKLOGGED AUDITS IS SIGNIFICANT

169. As at 10 September 2026, 20 audits were backlogged: 12 for the 2025 financial year (11 public bodies and the EPS), five for 2024 (four public bodies and the EPS), two for 2023 and one for 2022. Exhibit 36 provides a summary of the 20 backlogged audits. This matches the cut-off date for last year's report (10 September 2025), when 20 audits were also backlogged, and is higher than the year before, when eight audits were backlogged.

Exhibit 36: Outstanding audits as at 10 September 2026

Public body	Financial year(s) outstanding				Number of audits outstanding
	2022	2023	2024	2025	
CIAA					 4
NHDT					 3
MHW					 2
CAL					 2
EPS					 2
CTC					 1
MHES					 1
MPLAHI					 1
SIAHDC					 1
MSCR					 1
UCCI					 1
MDAHA					 1
Total	1	2	5	12	20

Source: OAG analysis of audit completion dates for financial statements.

170. Since the last General Report, my Office has completed the following 12 previously backlogged audits: MHECH 2020; MHW 2021, 2022, and 2023; MPLAHITD 2024; CINM 2024; CTC 2023 and 2024; CIAA 2021; and EPS 2021, 2022, and 2023.

THE QUALITY OF FINANCIAL INFORMATION FOR THE ENTIRE PUBLIC SECTOR NEEDS TO IMPROVE

171. The EPS account consolidates the financial statements of all public bodies and reports on executive transactions. As reported previously, none of the 2025 executive transactions has been audited as at 10 September 2026, as the EPS audit is backlogged. The unaudited amounts across the EPS are significant. For example, for 2025, unaudited executive coercive revenues reportedly amount to almost \$1.2 billion.

172. The EPS received adverse audit opinions for the previous 10 financial years, from 2013-14 to 2023. I am finalising the 2024 audit and will issue an adverse opinion because of various issues affecting the consolidated financial statements.

173. As reported in our 2024 General Report, several issues identified in previous audits have rendered the EPS financial statements unreliable. The financial statements are materially misstated across multiple areas to the extent that I issued an adverse opinion stating they cannot be relied on.

174. The following summary sets out the matters noted in the draft 2024 EPS financial statements:

- **Incompleteness of revenue** – Management cannot assure the completeness and accuracy of coercive revenues. The unaudited amount reported in the 2024 accounts was \$1 billion, representing approximately 71 per cent of total revenue reported in the 2024 draft EPS financial statements.
- **Incompleteness of provisions** – Management has not made a provision for the environmental liabilities arising from the new landfill site currently in use. The omitted amount is expected to be material.
- **Unrecorded post-retirement healthcare liabilities** – This represents a significant understatement. The unaudited liability reported in the notes to the 2024 financial statements totalled \$2.6 billion. Given the draft EPS net worth of \$2.6 billion, including this liability would nearly eliminate the entity’s net worth.
- **Unreliable road network valuations** – The road network lacks proper financial support, and management could not demonstrate sufficiently that the reported amounts accurately and completely reflected the components comprising the reported balances. The unaudited amount reported in the 2024 financial statements was \$412 million.
- **Incomplete subsidiary audits** – Material adjustments were not processed owing to various audit backlogs.

175. I commented on and recommended improvements on these issues in previous general reports and in our performance audit report, *Improving Financial Accountability and Transparency: Financial Management and Reporting*.¹⁹ I recommended that the MFED develop and implement an action plan to improve the quality of the EPS’s consolidated financial statements. The MFED shared an action plan with my Office in May 2026. Despite this and other previous action plans, progress has been limited. Exhibit 37 shows the EPS’s timeline for addressing the qualification points.

¹⁹ *Improving financial accountability and transparency: financial management and reporting*, Office of the Auditor General, May 2021.

Exhibit 37: EPS timeline for addressing the qualification points

Qualification point	Timeline	Applicable to financial statements for	OAG assessment
Consolidated financial statement disclosures	31 May 2024	2023	NOT FULLY ADDRESSED
Public Service Pensions Board administrative balances and transactions excluded from consolidation	31 May 2026	2025	NOT YET ASSESSED
Incompleteness of provisions	31 May 2027	2026	NOT YET DUE
Incompleteness of revaluation, inconsistent accounting policies and poor controls over property, plant and equipment	31 May 2027	2026	NOT YET DUE
Incompleteness of revenue, receivables and unearned revenue	No known date	Unclear	CANNOT BE ASSESSED
Understatement of retirement benefits liabilities	No known date	Unclear	CANNOT BE ASSESSED

Note: The audits of the EPS's consolidated financial statements are backlogged. The most recent financial statements audited are for 2023.

Source: OAG analysis of the EPS Financial Audit Corrective Action Plan dated 11 March 2026 update submitted by the EPS.

176. In the 2023 consolidated financial statements, the EPS properly disclosed budget information, as required by *IPSAS 24 – Presentation of Budget Information in the Financial Statements*. However, the EPS did not fully address the disclosure requirements of *IPSAS 20 – Related Party Disclosures*. My Office continues to assess this in the audit of the 2024 consolidated financial statements.

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

177. Financial information must be promptly accessible to key stakeholders and the public. Financial information is crucial, as stakeholders need it for accountability and informed decision-making. Financial statements are only useful if users can access them within a reasonable time frame. *IPSAS* and the *PMFA* require public bodies to publish their financial statements within six months of the end of the reporting period.

MOST PUBLIC BODIES SUBMIT THEIR FINANCIAL STATEMENTS ON TIME

178. The *PMFA* requires public bodies to submit their financial statements and annual reports to my office within two months of the end of the year (that is, by the end of February each year). My Office must audit the financial statements within two months (that is, by 30 April each year).
179. The timeliness of submitting financial statements has deteriorated. For the 2025 reporting period, 42 of the 48 public bodies submitted their financial statements by the statutory deadline of 28 February 2026. The CNCF, the UCCI, the MYSCH, the OCP, the PSPB and the CINM did not submit

their 2025 financial statements on time. They were between 3 and 31 days late. This was a decline compared with 2024, when only the NHDT did not submit its financial statements on time.

THE SUBMISSION AND TABLING OF ANNUAL REPORTS NEED TO IMPROVE

180. 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 public bodies preparing annual reports and, more importantly, tabling them in Parliament on time to ensure proper accountability. The number of public bodies preparing annual reports has increased considerably.

181. However, the timeliness of submitting annual reports to my Office for review remains a concern. My Office consistently receives annual reports after the statutory deadline. Although these reports are now tabled in Parliament more promptly, this remains a concern. Delays in tabling the annual report may significantly impair public sector accountability. Key stakeholders and the wider public do not receive timely information on entities' operations, reducing these reports' relevance for accountability and decision-making.

THE SUBMISSION OF ANNUAL REPORTS TO MY OFFICE HAS WORSENE

182. As reported above, the PMFA requires public bodies to submit their annual reports, including their financial statements, to my Office within two months of year-end (that is, by the end of February each year).

183. Of 48 public bodies, 32 submitted their annual reports to my Office by the statutory deadline for the 2025 reporting period. Sixteen public bodies (the CNCF, the MYSCH, the OCP, the NHDT, the NRA, CAYS, the CINAA, the UCCI, the PSPB, the CIAA, the MSDI, the MDAHA, URCO, the MHA, the MSCR and the MDAL) did not. This marks a decline in timely submission relative to 2024, when 10 public bodies missed the statutory deadline.

THIRTY-THREE ANNUAL REPORTS REMAIN UNTABLED IN PARLIAMENT

184. The PMFA requires public bodies to submit their annual reports, including financial statements and the audit opinion, to the Cabinet for noting within five months of the end of the financial year (by 31 May). Only four public bodies submitted their annual reports to the Cabinet for noting by 31 May 2026. These are the MET, the MFED, the MSDI and PoCS.

185. Twenty-four other public bodies submitted their annual reports to the Cabinet for noting between June and 10 September 2026.²⁰ As at 10 September 2026, seven of the 35 public bodies

²⁰ On 16 September 2026, another three public bodies submitted their annual reports to the Cabinet for noting, namely the MHA, the MYSCH and the HSA.

whose audits were completed by the statutory deadline had not yet submitted their annual reports to the Cabinet for noting. These are PARL, the MDAL, the OMB, the CIDB, the NRA, SIF and the CINAA.

186. After the Cabinet’s review and noting, a specially appointed member of the Cabinet shall present the report to Parliament to review at its next sitting. This pivotal step completes the accountability chain. Despite recent improvements, Parliament needs to table the financial statements and associated annual reports more promptly. Exhibit 38 shows the number of annual reports tabled annually and the financial period that each report relates to.

Exhibit 38: Number of annual reports tabled annually, 2021–2026

Financial year	Completed audits	Tabled in Parliament in						Total tabled	Outstanding
		2021	2022	2023	2024	2025	2026		
2020	41	23	12	1	3	1	•	40	1
2021	50	•	29	10	5	•	1	45	5
2022	45	•	•	30	9	3	•	42	3
2023	44	•	•	•	30	8	3	41	3
2024	42	•	•	•	•	34	5	39	3
2025	37	•	•	•	•	•	19	19	18
Total									33

Note: Annual reports and financial statements tabled as at 10 September 2026. The table presents data on reports tabled in Parliament for full years (12 months) from 2021 to 2025 and for nine months (January–September) in 2026.

Source: Order papers from the Parliament website.

187. Exhibit 38 shows that, as at 10 September 2026, only 19 (54 per cent) of the 35 public bodies whose audits had been completed by the statutory deadline had laid their 2025 annual reports in Parliament.²¹ A further 11 were tabled between 30 September and 2 October 2026, bringing the total to 30. Parliament met twice between May and June 2026, providing opportunities to table these annual reports. The exhibit also shows that Parliament tabled many annual reports late. Most

²¹ Eleven additional 2025 annual reports for public bodies were tabled in Parliament between 30 September 2026 and 2 October 2026. These reports were from JA, MCEI, MHA, MTTD, MYSCH, OMB, CAYS, HSA, NDC, PACI, and SIF.

annual reports are now tabled in the same year the audit is completed, but very few are tabled within two months of completion.

188. Of the 28 annual reports for financial year 2025 that public bodies submitted to the Cabinet for noting, only 19 had been tabled in Parliament as at 10 September 2026. The MCEI submitted its annual report to the Cabinet in June 2026 and tabled it in Parliament on 30 September 2026. The JA, the MTTD, CAYS, the NDC and PACI submitted their annual reports to the Cabinet between July and September 2026. These reports were tabled in Parliament between 30 September 2026 and 2 October 2026.

CONCLUSION

189. This report sets out the results of the 2025 audits of public bodies' financial statements. The 2025 audits show that most public bodies can pay their way. However, Parliament still cannot rely on the information it receives about how public money is used or receive it in time. My Office has audited only 39 per cent of the revenue reported for 2025. Most public bodies received unqualified opinions only after making significant corrections. Many of the weaknesses I report this year are ones that public bodies had already agreed to fix. As a result, three messages stand out.

SURPLUSES SAY LITTLE ABOUT FINANCIAL HEALTH

190. The SAGCs' combined overall surplus of \$236 million comes almost entirely from the PSPB's \$231 million overall surplus, which reflects the results of the pension funds it administers rather than its operations. On day-to-day operations, SAGCs made a combined deficit of \$7.3 million. Core government surpluses reflect underspending against appropriations. In several ministries, they also reflect output revenue billed notionally on the appropriation rather than on outputs delivered. They therefore say little about performance. Eight SAGCs budgeted for a deficit, although the Public Authorities Act requires them to at least break even.

191. Financial risk is concentrated in a few public bodies. The HSA carries 55 per cent of SAGCs' \$447 million post-retirement healthcare obligation and made the largest operating loss of any audited SAGC. At the cut-off date, four years of CIAA audits were outstanding. CAL and the CTC still depend on Government equity injections.

PUBLIC BODIES ARE NOT FIXING KNOWN WEAKNESSES

192. Seventy-three of this year's 165 significant findings had been reported before. In each case, management accepted the finding but did not resolve it. Most relate to procurement and basic financial controls. Oversight is not addressing this. I reported 14 governance findings, including undeclared interests and improperly constituted boards.

193. Some of the causes are easy to fix. Actuarial valuations arrive after public bodies submit their financial statements, and they led to \$55 million of adjustments. Preparation for new accounting standards reached core government but not SAGCs. The MSCR audit was delayed because, after the ministry was dissolved in the 2025 reorganisation, it was unclear who was responsible for finalising its accounts.

ACCOUNTABILITY BREAKS DOWN AT THE FINAL STEPS

194. Accountability depends on every step of the reporting chain working on time. The chain is weakest at its final steps. Forty-two of 48 public bodies submitted their financial statements on time, and my Office completed 35 audits by the statutory deadline. However, only four annual reports reached the Cabinet by 31 May 2026, and only 19 had been tabled in Parliament by 10 September 2026. Twenty audits remain backlogged, the same number as a year ago, despite my Office completing 12 backlogged audits in the past 12 months.

195. Overall, the EPS financial statements remain unreliable. They omit \$2.6 billion of post-retirement healthcare liabilities, and the two most significant qualification points have no target resolution date.



Patrick Smith, CPA, CFE
Auditor General

20 October 2026
Cayman Islands

APPENDIX A – FINANCIAL TREND ANALYSIS: STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES

196. This appendix reports a trend analysis of the financial performance of the 26 SAGCs for 2021 to 2025. For the SAGCs with backlogged audits, we have used the draft financial statements they provided for audit purposes. As at 10 September 2026, the following SAGC audits were backlogged for the five years:

- Three 2025 audits for the SIAHDC, the CTC and the UCCI were ongoing.
- The 2024 and 2025 audit of CAL was ongoing.
- The 2023 audit of the NHDT was ongoing; the audits for 2024 and 2025 had not yet started.
- The CIAA audits for 2022 and 2023 were ongoing; the audits for 2024 and 2025 had not yet started.

197. Exhibit 39 provides details of each SAGC's overall annual surplus or deficit for each of the five years. Exhibit 40 provides details of each SAGC's annual operating surplus or deficit. Exhibit 41 provides details of each SAGC's actual or draft operating surplus or deficit for 2025 compared with what had been budgeted for. Exhibit 42 provides details of each SAGC's revenue between 2021 and 2025. Exhibit 43 shows SAGC revenue by source in 2025. Exhibit 44 details each SAGC's expenditure for each of the five years.

198. The following notes apply to the exhibits that follow:

- CAL amounts for 2021 to 2025 converted from USD at a rate of 0.84.
- The amounts for the PSPB are primarily related to the administration of the pension plans, except in Exhibit 39, which includes the overall performance, including pension plans. As reported earlier, the PSPB does not have sufficient operating revenue to offset its operating expenses.
- Amounts for CINICO primarily relate to the administration of insurance services, except in Exhibit 39, which presents the overall performance.
- Draft financial statement amounts have been used for CAL for 2024 and 2025.
- Draft financial statement amounts have been used for the CIAA for 2022, 2023, 2024 and 2025.
- Draft financial statement amounts have been used for the NHDT for 2023 and 2025. Budget amounts have been used for 2024, as no draft financial statements were submitted.
- Draft financial statement amounts have been used for the CTC, the SIAHDC and the UCCI for 2025.

Exhibit 39: Overall surplus/(deficit) by SAGC, 2021–2025

Surplus Deficit ↑ ↓ Up = result improved on the previous year; down = worsened ↑ (17.55m) Draft (* audit outstanding)					
SAGC	2021	2022	2023	2024	2025
AOA Auditors Oversight Authority	–	–	–	–	–
CAL* Cayman Airways Limited	(4.22m)	↓	↑	↓	(17.55m)
CIAA* Cayman Islands Airports Authority	(18.89m)	↑	↑	↑	16.46m
CIDB Cayman Islands Development Bank	166.1k	↓	↓	↑	(135.7k)
CIMA Cayman Islands Monetary Authority	5.71m	↑	↑	↓	7.78m
CINAA Cayman Islands National Attractions Authority	212.3k	↓	↑	↓	(125.7k)
CINM Cayman Islands National Museum	1.3k	↑	↓	↑	(376.6k)
CNCF Cayman National Cultural Foundation	(131.0k)	↑	↓	↑	(482.3k)
CISX Cayman Islands Stock Exchange	2.47m	↓	↑	↑	2.63m
CTC* Cayman Turtle Conservation and Education Centre Limited	(9.46m)	↓	↑	↓	(10.23m)
CAYS Children and Youth Services Foundation	148.0k	↓	↑	↓	(252.9k)
CINICO Cayman Islands National Insurance Company	1.44m	↑	↓	↓	143.8k
CAA Civil Aviation Authority	3.79m	↑	↓	↑	3.25m
HSA Health Services Authority	55.05m	↓	↓	↑	(18.74m)
MACI Maritime Authority of the Cayman Islands	2.62m	↑	↓	↑	1.77m
NDC National Drug Council	108.4k	↓	↓	↑	53.9k
NGCI National Gallery of the Cayman Islands	4.6k	↑	↑	↓	(135.6k)
NHDT* National Housing Development Trust	(799.0k)	↓	↓	↓	(4.47m)
NRA National Roads Authority	(353.1k)	↑	↑	↓	1.35m
PACI Port Authority of the Cayman Islands	11.06m	↑	↓	↓	6.84m
PSPB Public Service Pensions Board	146.10m	↓	↑	↑	231.02m
SIF Segregated Insurance Fund	5.61m	↑	↑	↑	7.11m
SIAHDC* Sister Islands Affordable Housing Development Corporation	22.0k	↓	–	↑	10.8k
UCCI* University College of the Cayman Islands	2.7k	↓	↓	↑	1.22m
URCO Utility Regulation and Competition Office	1.14m	↓	↑	↑	(21.0k)
WACI Water Authority of the Cayman Islands	(14.17m)	↑	↓	↑	9.34m
Total	187.63m	↓	↑	↑	236.46m

Note: *Indicates backlogged audits as at 10 September 2026.

Source: OAG analysis of financial statements of public bodies.

Exhibit 40: Operating surplus/(deficit) by SAGC, 2021–2025

Surplus Deficit ↑ ↓ Up = result improved on the previous year; down = worsened ↑ (17.55m) Draft (* audit outstanding)					
SAGC	2021	2022	2023	2024	2025
AOA Auditors Oversight Authority	–	–	–	–	–
CAL* Cayman Airways Limited	(4.22m)	↓	↑	↕	(17.55m)
CIAA* Cayman Islands Airports Authority	(13.30m)	↕	↕	↕	16.46m
CIDB Cayman Islands Development Bank	(328.9k)	↓	↑	↑	(201.7k)
CIMA Cayman Islands Monetary Authority	2.05m	↑	↑	↓	6.46m
CINAA Cayman Islands National Attractions Authority	212.3k	↓	↑	↓	(125.7k)
CINM Cayman Islands National Museum	1.3k	↑	↓	↑	(376.6k)
CNCF Cayman National Cultural Foundation	(131.0k)	↑	↓	↑	(482.3k)
CISX Cayman Islands Stock Exchange	2.47m	↓	↑	↑	2.63m
CTC* Cayman Turtle Conservation and Education Centre Limited	(10.14m)	↑	↑	↓	(10.36m)
CAYS Children and Youth Services Foundation	148.0k	↓	↑	↓	(258.9k)
CINICO Cayman Islands National Insurance Company	(3.49m)	↑	↓	↑	1.41m
CAA Civil Aviation Authority	3.74m	↓	↓	↑	3.12m
HSA Health Services Authority	8.06m	↓	↓	↓	(8.68m)
MACI Maritime Authority of the Cayman Islands	683.5k	↑	↓	↓	894.8k
NDC National Drug Council	108.4k	↓	↓	↑	53.9k
NGCI National Gallery of the Cayman Islands	4.6k	↑	↑	↓	(135.6k)
NHDT* National Housing Development Trust	(799.0k)	↓	↕	↕	(4.47m)
NRA National Roads Authority	(353.1k)	↑	↑	↓	1.35m
PACI Port Authority of the Cayman Islands	(3.53m)	↓	↑	↑	(77.4k)
PSPB Public Service Pensions Board	(4.09m)	↓	↑	↑	(7.50m)
SIF Segregated Insurance Fund	5.61m	↑	↑	↑	7.11m
SIAHDC* Sister Islands Affordable Housing Development Corporation	22.0k	↓	–	↑	10.8k
UCCI* University College of the Cayman Islands	2.7k	↓	↓	↑	1.22m
URCO Utility Regulation and Competition Office	1.14m	↓	↑	↑	(21.0k)
WACI Water Authority of the Cayman Islands	(27.23m)	↑	↓	↑	2.23m
Total	(43.35m)	↑	↑	↓	(7.30m)

Note: *Indicates backlogged audits as at 10 September 2026.

Source: OAG analysis of financial statements of public bodies.

Exhibit 41: SAGCs – actual operating surplus/(deficit) versus budgeted surplus/(deficit), 2025

○ Budget ● Actual – better than budget ● Actual – worse than budget * Draft figures (audit outstanding). Scale is square-root so small bodies remain visible.

SAGC	← Deficit	Surplus →	Actual	Budget	Variance
AOA		○●	-	(85.1k)	85.1k
CAL*	●○		(17.55m)	(12.09m)	(5.46m)
CIAA*		●○	16.46m	21.09m	(4.63m)
CIDB	●○		(201.7k)	(71.3k)	(130.4k)
CIMA		○●	6.46m	42.9k	6.41m
CINAA	●○		(125.7k)	(334.1k)	208.5k
CINM	●○		(376.6k)	6.3k	(382.9k)
CNCF	●○		(482.3k)	(349.3k)	(133.0k)
CISX		○●	2.63m	1.61m	1.01m
CTC*	●○		(10.36m)	(10.09m)	(268.0k)
CAYS	○●		(258.9k)	(615.9k)	357.1k
CINICO		●○	1.41m	3.48m	(2.06m)
CAA		●○	3.12m	3.15m	(31.9k)
HSA	●○		(8.68m)	92.9k	(8.78m)
MACI		○●	894.8k	803.0k	91.8k
NDC		○●	53.9k	-	53.9k
NGCI	●○		(135.6k)	(185.8k)	50.2k
NHDT*	●○		(4.47m)	(3.87m)	(596.8k)
NRA	○●		1.35m	(3.20m)	4.55m
PACI	○●		(77.4k)	(2.22m)	2.15m
PSPB	●○		(7.50m)	-	(7.50m)
SIF		○●	7.11m	n/a	7.11m
SIAHDC*	○●		10.8k	(71.7k)	82.5k
UCCI*	○●		1.22m	-	1.22m
URCO	●○		(21.0k)	2.3k	(23.4k)
WACI		○●	2.23m	920.3k	1.31m
Total			(7.30m)	(1.99m)	(5.31m)

Note: *Indicates backlogged audits as at 10 September 2026.

Source: OAG analysis of financial statements of public bodies.

Exhibit 42: Revenue by SAGC, 2021–2025

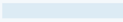
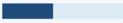
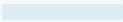
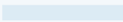
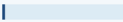
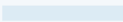
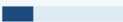
↑ Revenue increased on the previous year ↓ Revenue decreased on the previous year ↕ 85.09m Draft figures (* audit outstanding)						
2025 figures and the change since 2021 are coloured on the same basis as the arrows.						
SAGC	2021	2022	2023	2024	2025	Change since 2021
AOA Auditors Oversight Authority	291.9k	↓	↑	↑	312.0k	7%
CAL* Cayman Airways Limited	47.91m	↑	↑	↓	85.09m	78%
CIAA* Cayman Islands Airports Authority	6.34m	↕	↕	↕	55.09m	770%
CIDB Cayman Islands Development Bank	1.73m	↓	↑	↑	2.75m	59%
CIMA Cayman Islands Monetary Authority	42.67m	↑	↑	↓	60.54m	42%
CINAA Cayman Islands National Attractions Authority	2.81m	↑	↑	↓	3.86m	37%
CINM Cayman Islands National Museum	925.1k	↑	↓	↑	1.16m	26%
CNCF Cayman National Cultural Foundation	1.38m	↑	↑	↑	1.69m	22%
CISX Cayman Islands Stock Exchange	4.60m	↓	↑	↑	5.56m	21%
CTC* Cayman Turtle Conservation and Education Centre Limited	1.29m	↑	↑	↓	8.10m	527%
CAYS Children and Youth Services Foundation	3.27m	↓	↑	↑	3.89m	19%
CINICO Cayman Islands National Insurance Company	1.37m	↑	↑	↑	3.90m	184%
CAA Civil Aviation Authority	8.81m	↑	↑	↑	9.56m	9%
HSA Health Services Authority	169.07m	↓	↑	↑	216.13m	28%
MACI Maritime Authority of the Cayman Islands	11.04m	↑	↑	↓	14.04m	27%
NDC National Drug Council	721.8k	↑	↑	↑	913.5k	27%
NGCI National Gallery of the Cayman Islands	1.12m	↑	↑	↓	1.59m	42%
NHDT* National Housing Development Trust	808.0k	↑	↓	↕	2.75m	240%
NRA National Roads Authority	33.41m	↓	↑	↓	35.64m	7%
PACI Port Authority of the Cayman Islands	22.29m	↑	↑	↑	36.99m	66%
PSPB Public Service Pensions Board	308.0k	↓	↑	↑	928.0k	201%
SIF Segregated Insurance Fund	5.62m	↑	↑	↑	7.12m	27%
SIHDC* Sister Islands Affordable Housing Development Corporation	68.0k	↓	↓	↑	57.0k	-16%
UCCI* University College of the Cayman Islands	10.91m	↓	↑	↓	16.34m	50%
URCO Utility Regulation and Competition Office	5.78m	↑	↑	↓	6.31m	9%
WACI Water Authority of the Cayman Islands	36.26m	↑	↑	↑	47.12m	30%
Total	420.80m	↑	↑	↑	627.42m	49%

Note: *Indicates backlogged audits as at 10 September 2026.

Source: OAG analysis of financial statements of public bodies.

Exhibit 43: SAGC revenue by source, 2025

■ Revenue from Government (outputs) ■ Revenue from other sources * Draft figures (audit outstanding).

SAGC	Mix	From Government	Other sources	Total	Govt share
AOA Auditors Oversight Authority		295.8k	16.2k	312.0k	95%
CAL* Cayman Airways Limited		18.57m	66.52m	85.09m	22%
CIAA* Cayman Islands Airports Authority		–	55.09m	55.09m	0%
CIDB Cayman Islands Development Bank		605.0k	2.14m	2.75m	22%
CIMA Cayman Islands Monetary Authority		25.32m	35.22m	60.54m	42%
CINAA Cayman Islands National Attractions Authority		1.98m	1.88m	3.86m	51%
CINM Cayman Islands National Museum		891.9k	269.4k	1.16m	77%
CNCF Cayman National Cultural Foundation		1.20m	495.9k	1.69m	71%
CISX Cayman Islands Stock Exchange		–	5.56m	5.56m	0%
CTC* Cayman Turtle Conservation and Education Centre Limited		–	8.10m	8.10m	0%
CAYS Children and Youth Services Foundation		3.70m	188.9k	3.89m	95%
CINICO Cayman Islands National Insurance Company		–	3.90m	3.90m	0%
CAA Civil Aviation Authority		–	9.56m	9.56m	0%
HSA Health Services Authority		26.27m	189.86m	216.13m	12%
MACI Maritime Authority of the Cayman Islands		322.5k	13.72m	14.04m	2%
NDC National Drug Council		862.4k	51.1k	913.5k	94%
NGCI National Gallery of the Cayman Islands		782.0k	809.3k	1.59m	49%
NHDT* National Housing Development Trust		710.0k	2.04m	2.75m	26%
NRA National Roads Authority		20.31m	15.32m	35.64m	57%
PACI Port Authority of the Cayman Islands		–	36.99m	36.99m	0%
PSPB Public Service Pensions Board		–	928.0k	928.0k	0%
SIF Segregated Insurance Fund		–	7.12m	7.12m	0%
SIHADC* Sister Islands Affordable Housing Development Corporation		–	57.0k	57.0k	0%
UCCI* University College of the Cayman Islands		12.11m	4.23m	16.34m	74%
URCO Utility Regulation and Competition Office		1.62m	4.69m	6.31m	26%
WACI Water Authority of the Cayman Islands		–	47.12m	47.12m	0%
Total		115.55m	511.87m	627.42m	18%

Note: *Indicates backlogged audits as at 10 September 2026.

Source: OAG analysis of financial statements of public bodies.

Exhibit 44: Expenses by SAGC, 2021–2025

↓ Expenses decreased on the previous year ↑ Expenses increased on the previous year ↑ 102.65m Draft figures (* audit outstanding)						
2025 figures and the change since 2021 are coloured on the same basis as the arrows.						
SAGC	2021	2022	2023	2024	2025	Change since 2021
AOA Auditors Oversight Authority	291.9k	↓	↑	↑	312.0k	7%
CAL* Cayman Airways Limited	52.12m	↑	↑	↑	102.65m	97%
CIAA* Cayman Islands Airports Authority	25.22m	↑	↓	↑	38.63m	53%
CIDB Cayman Islands Development Bank	2.06m	↑	↑	↓	2.95m	43%
CIMA Cayman Islands Monetary Authority	40.62m	↑	↑	↑	54.08m	33%
CINM Cayman Islands National Museum	914.0k	↑	↑	↓	1.54m	68%
CINAA Cayman Islands National Attractions Authority	2.60m	↑	↑	↑	3.98m	53%
CNCF Cayman National Cultural Foundation	1.51m	↓	↑	↓	2.17m	44%
CISX Cayman Islands Stock Exchange	2.12m	↑	↑	↑	2.93m	38%
CTC* Cayman Turtle Conservation and Education Centre Limited	11.11m	↑	↑	↑	18.46m	66%
CAYS Children and Youth Services Foundation	3.13m	↓	↓	↑	4.15m	33%
CINICO Cayman Islands National Insurance Company	4.86m	↓	↑	↓	2.48m	-49%
CAA Civil Aviation Authority	5.06m	↑	↑	↓	6.44m	27%
HSA Health Services Authority	161.01m	↑	↑	↑	224.82m	40%
MACI Maritime Authority of the Cayman Islands	10.35m	↑	↑	↑	13.14m	27%
NDC National Drug Council	613.4k	↑	↑	↑	859.7k	40%
NGCI National Gallery of the Cayman Islands	1.11m	↑	↑	↓	1.73m	55%
NHDT* National Housing Development Trust	1.72m	↑	↓	↑	7.22m	320%
NRA National Roads Authority	33.76m	↓	↑	↓	34.29m	2%
PACI Port Authority of the Cayman Islands	25.81m	↑	↑	↑	37.07m	44%
PSPB Public Service Pensions Board	4.40m	↑	↓	↑	8.43m	92%
SIF Segregated Insurance Fund	8.0k	–	–	–	8.5k	6%
SIAMDC* Sister Islands Affordable Housing Development Corporation	46.0k	↓	↓	↑	46.2k	0%
UCCI* University College of the Cayman Islands	10.91m	↑	↑	↓	15.12m	39%
URCO Utility Regulation and Competition Office	4.65m	↑	↑	↓	6.33m	36%
WACI Water Authority of the Cayman Islands	63.49m	↓	↑	↓	44.89m	-29%
Total	469.53m	↑	↑	↑	634.72m	35%

Note: *Indicates backlogged audits as at 10 September 2026.

Source: OAG analysis of financial statements of public bodies.

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

199. This appendix presents the findings from the trend analysis of the financial performance of each core government entity for the five-year period from 2021 to 2025. As at 10 September 2026, audits for the following core government entities were either backlogged or ongoing for this period, and the figures used are therefore those provided in draft submissions for audit:

- The 2024 audit for the MHW was ongoing, while the 2025 audit had not yet started.
- The 2025 audit for the MPLAHI was ongoing.
- The 2025 audits for the MDAHA and the MSCR were ongoing.
- The 2025 audit for the MHES had not yet started.

200. In addition, because ministries were reorganised following the 2025 election, the composition of some ministries is not comparable across all years presented.

201. Exhibit 45 provides details of each entity's surplus or deficit for the five years from 2021 to 2025. Exhibit 46 shows, for each entity, the actual surpluses or deficits for 2025 compared with those that had been budgeted for. Exhibit 47 shows each entity's total revenue for the five years, and Exhibit 48 details each entity's expenditure for the five years.

202. The following notes apply to the exhibits in this appendix:

- The MHW's financial statements for 2020 to 2023 received a disclaimed audit opinion.
- The audits of the MHW, the MSCR, the MHA and the MDAL were discontinued following reorganisation after the general election of April 2025. The audit period for these entities is the six months from 1 January to 30 June 2025.
- The MDAHA and the MHES were established following government reorganisation after the general election on 30 April 2025. The audit period for these entities is for the six months from 1 July to 31 December 2025.
- Draft financial statement amounts have been used for the MPLAHI, the MHW, the MHES, the MSCR and the MDAHA for 2025.
- Draft financial statement amounts have been used for the MHW for 2024.
- The Ministry of Community Affairs and the Ministry of International Trade, Investments, Aviation & Maritime Affairs were closed on 30 June 2021 after the 2021 general election.
- Following the general election of April 2025, the following entities had name changes: the Ministry of Border Control & Labour was renamed the Ministry of Caymanian Employment

& Immigration (MCEI); the Ministry of Education became the Ministry of Education & Training (MET); the Ministry of Investment, Innovation & Social Development became the Ministry of Social Development & Innovation (MSDI); and the Ministry of Tourism & Ports became the Ministry of Tourism & Trade Development (MTTD).

Exhibit 45: Surplus/(deficit) by MPO, 2021–2025

■ Surplus ■ Deficit ↑ ↓ Up = result improved on the previous year; down = worsened ⬆ 370 Draft (* audit outstanding)					
\$000. Arrow colour shows whether that year was a surplus or a deficit; grey = nil. Figures in brackets are deficits. – = no change or nil. n/a = entity did not exist.					
Core government entity	2021	2022	2023	2024	2025
CAB Cabinet Office	984	↓	↑	↓	1,991
PARL Cayman Islands Parliament	249	↑	↓	↓	68
JA Judicial Administration	231	↑	↓	↓	–
MCEI Caymanian Employment and Immigration	643	↑	↓	↑	12,256
MDAL District Administration and Lands	178	↓	↓	↑	–
MET Education and Training	7,390	↓	–	–	3,573
MFED Finance and Economic Development	–	–	–	–	–
MFSC Financial Services and Commerce	(437)	↑	↓	↑	–
MHW* Health and Wellness	9,149	↓	↑	⬆	370
MHA Home Affairs	906	↓	↑	↑	–
MSDI Social Development and Innovation	264	↑	↑	↑	3,328
MPLAHI* Planning, Lands, Agriculture, Housing and Infrastructure	(1,208)	↑	↓	↑	46
MSCR* Sustainability and Climate Resiliency	513	↓	↑	↓	88
MTTD Tourism and Trade Development	2,015	↓	↑	↓	276
MYSCH Youth, Sports, Culture and Heritage	44	↓	↑	↓	23
OCP Office of the Commissioner of Police	(394)	↑	↑	↑	563
ODPP Office of the Director of Public Prosecutions	226	↓	–	–	–
OMB Office of the Ombudsman	112	↓	↑	↓	–
PLA Portfolio of Legal Affairs	1,834	↓	–	–	–
PoCS Portfolio of the Civil Service	2,023	↑	↓	↑	3,664
MHES* Health, Environment and Sustainability	n/a	n/a	n/a	n/a	1,860
MDAHA* District Administration and Home Affairs	n/a	n/a	n/a	n/a	–
MITIAMA International Trade, Investments, Aviation and Maritime Affairs	39	n/a	n/a	n/a	n/a
MCA Community Affairs	137	n/a	n/a	n/a	n/a
MFSHA Financial Services and Home Affairs	1,670	n/a	n/a	n/a	n/a
Total	26,568	↓	↓	↑	28,106

Notes:

Note: *Indicates backlogged audits as at 10 September 2026.

MHW figures for 2020 to 2023 are unaudited. The auditor issued a disclaimer of opinion for those years.

Source: OAG analysis of financial statements of public bodies.

Exhibit 46: Actual surplus/(deficit) compared with budget by MPO, 2025

○ Budget ● Actual – better than budget ● Actual – worse than budget ● On budget * Draft figures (audit outstanding). Scale is square-root so small amounts remain visible.

Entity	← Deficit	Surplus →	Actual	Budget	Variance
CAB			1.99m	-	1.99m
PARL			68.0k	-	68.0k
JA			-	-	-
MCEI			12.26m	12.11m	143.0k
MDAL			-	-	-
MET			3.57m	-	3.57m
MFED			-	-	-
MFSC			-	-	-
MHW*			370.0k	11.0k	359.0k
MHA			-	-	-
MSDI			3.33m	227.0k	3.10m
MPLAHI*			46.0k	-	46.0k
MSCR*			88.0k	-	88.0k
MTTD			276.0k	-	276.0k
MYSCH			23.0k	38.0k	(15.0k)
OCP			563.0k	301.0k	262.0k
ODPP			-	-	-
OMB			-	-	-
PLA			-	-	-
PoCS			3.66m	1.07m	2.59m
MHES*			1.86m	-	1.86m
MDAHA*			-	-	-
Total			28.11m	13.76m	14.34m

Note: *Indicates backlogged audits as at 10 September 2026.

Source: OAG analysis of financial statements of public bodies.

Exhibit 47: Total revenue by MPO, 2021–2025

↑ Revenue increased on the previous year ↓ Revenue decreased on the previous year ↗ 24,735 Draft (* audit outstanding)						
\$'000. 2025 figures and the change since 2021 are coloured on the same basis as the arrows. n/a = entity did not exist.						
Core government entity	2021	2022	2023	2024	2025	Change since 2021
CAB Cabinet Office	11,971	↑	↑	↑	21,620	81%
PARL Cayman Islands Parliament	2,228	↑	↑	↑	3,098	39%
JA Judicial Administration	10,389	↑	↑	↑	12,427	20%
MCEI Caymanian Employment and Immigration	46,619	↑	↓	↑	55,279	19%
MDAL District Administration and Lands	8,946	↑	↑	↑	12,305	38%
MET Education and Training	121,112	↓	↑	↑	153,745	27%
MFED Finance and Economic Development	17,271	↓	↑	↓	12,705	-26%
MFSC Financial Services and Commerce	7,622	↑	↑	↑	26,276	245%
MHW* Health and Wellness	42,075	↓	↑	↗	24,735	-41%
MHA Home Affairs	26,050	↑	↑	↑	30,045	15%
MSDI Social Development and Innovation	17,381	↑	↑	↑	50,158	189%
MPLAHI* Planning, Lands, Agriculture, Housing and Infrastructure	47,102	↑	↑	↑	65,873	40%
MSCR* Sustainability and Climate Resiliency	5,368	↑	↑	↓	5,084	-5%
MTTD Tourism and Trade Development	28,995	↓	↑	↑	25,721	-11%
MYSCH Youth, Sports, Culture and Heritage	3,347	↑	↑	↑	10,134	203%
OCP Office of the Commissioner of Police	51,426	↑	↑	↑	63,882	24%
ODPP Office of the Director of Public Prosecutions	4,412	↑	↑	↑	6,448	46%
OMB Office of the Ombudsman	2,279	↓	↑	↓	2,955	30%
PLA Portfolio of Legal Affairs	9,865	↓	↑	↑	10,159	3%
PoCS Portfolio of the Civil Service	16,423	↑	↑	↑	24,036	46%
MHES* Health, Environment and Sustainability	n/a	n/a	n/a	n/a	32,572	new in 2025
MDAHA* District Administration and Home Affairs	n/a	n/a	n/a	n/a	54,748	new in 2025
MITIAMA International Trade, Investments, Aviation and Maritime Affairs	2,768	n/a	n/a	n/a	n/a	closed in 2021
MCA Community Affairs	8,042	n/a	n/a	n/a	n/a	closed in 2021
MFSHA Financial Services and Home Affairs	31,788	n/a	n/a	n/a	n/a	closed in 2021
Total	523,479	↑	↑	↑	704,005	34%

Notes:

Note: *Indicates backlogged audits as at 10 September 2026.

MHW figures for 2020 to 2023 are unaudited. The audit opinion was disclaimed.

Source: OAG analysis of financial statements of public bodies.

Exhibit 48: Total expenditure by MPO, 2021–2025

↓ Expenditure decreased on the previous year ↑ Expenditure increased on the previous year ↗ 24,364 Draft (* audit outstanding)						
Core government entity	2021	2022	2023	2024	2025	Change since 2021
CAB Cabinet Office	10,987	↑	↓	↑	19,629	79%
PARL Cayman Islands Parliament	1,979	↑	↑	↑	3,030	53%
JA Judicial Administration	10,158	↑	↑	↑	12,427	22%
MCEI Caymanian Employment and Immigration	45,976	↑	↑	↑	43,023	-6%
MDAL District Administration and Lands	8,768	↑	↑	↑	12,305	40%
MET Education and Training	113,722	↑	↑	↑	150,172	32%
MFED Finance and Economic Development	17,271	↓	↑	↓	12,705	-26%
MFSC Financial Services and Commerce	8,059	↑	↑	↑	26,276	226%
MHW* Health and Wellness	32,926	↓	↑	↗	24,364	-26%
MHA Home Affairs	25,144	↑	↑	↑	30,045	19%
MSDI Social Development and Innovation	17,117	↑	↑	↑	46,830	174%
MPLAHI* Planning, Lands, Agriculture, Housing and Infrastructure	48,310	↓	↑	↑	65,827	36%
MSCR* Sustainability and Climate Resiliency	4,855	↑	↑	↓	4,996	3%
MTTD Tourism and Trade Development	26,980	↓	↑	↑	25,445	-6%
MYSCH Youth, Sports, Culture and Heritage	3,303	↑	↑	↑	10,111	206%
OCP Office of the Commissioner of Police	51,820	↑	↑	↑	63,319	22%
ODPP Office of the Director of Public Prosecutions	4,186	↑	↑	↑	6,448	54%
OMB Office of the Ombudsman	2,167	↓	↑	↑	2,955	36%
PLA Portfolio of Legal Affairs	8,031	↑	↑	↑	10,159	26%
PoCS Portfolio of the Civil Service	14,388	↑	↑	↑	20,345	41%
MHES* Health, Environment and Sustainability	n/a	n/a	n/a	n/a	30,712	new in 2025
MDAHA* District Administration and Home Affairs	n/a	n/a	n/a	n/a	54,749	new in 2025
MITIAMA International Trade, Investments, Aviation and Maritime Affairs	2,729	n/a	n/a	n/a	n/a	closed in 2021
MCA Community Affairs	7,904	n/a	n/a	n/a	n/a	closed in 2021
MFSHA Financial Services and Home Affairs	30,118	n/a	n/a	n/a	n/a	closed in 2021
Total	496,898	↑	↑	↑	675,872	36%

Notes:

Note: *Indicates backlogged audits as at 10 September 2026.

MHW figures for 2020 to 2023 are unaudited. The audit opinion was disclaimed.

Source: OAG analysis of financial statements of public bodies.

APPENDIX C – INTERNAL CONTROL DEFICIENCIES

203. As at 10 September 2026, we had finalised 33 of the 35 ISA 260 reports. These include the CAA and AOA reports, for which we identified no significant internal control deficiencies. This appendix summarises the deficiencies reported for 33 public bodies, including the MHA and the NGCI, whose ISA 260 reports had not been finalised at that date.

204. As at the cut-off date for finalising this report, we had issued the ISA 260 reports for the MHA, but management responses were outstanding. The ISA 260 reports for the NGCI are pending finalisation because some queries remain unresolved. These ISA 260 reports identified similar issues to those listed below, including non-compliance with acts and regulations, financial management, value for money, governance, information technology and quality of financial statements (Exhibit 49). The reports that were not yet finalised as at 10 September 2026 are shaded in Exhibit 50.

Exhibit 49: Summary of findings by category

■ SAGCs ■ Core government entities

Category of finding		SAGCs		Core government entities		Total	
		Findings	Bodies	Findings	Bodies	Findings	Bodies
Non-compliance with Acts and Regulations		31	13	37	12	68	25
Financial management		46	14	19	8	65	22
Governance		11	7	3	3	14	10
Value for money		4	3	4	4	8	7
Information technology		6	4	–	–	6	4
Quality of financial statements and submissions		2	2	2	1	4	3
Total		100		65		165	

Source: OAG analysis of ISA 260 reports.

Exhibit 50: Number of findings in each category by public body

† ISA 260 report not finalised at 10 September 2026

Public body	Non-compliance with Acts and Regulations	Financial management	Governance	Information technology	Value for money	Quality of financial statements and submissions	Total
Statutory authorities and government companies (17)							
CAYS	4	4					8
CIDB		3	2				5
CIMA	1	2					3
CINAA	1	3		1			5
CINICO		1					1
CINM	1	7	2	2	1		13
CNCF	1	2				1	4
CISX		2					2
HSA		9	2	1		1	13
MACI	4	4	1				9
NDC	1	1					2
NGCI †	2	2			2		6
NRA	4		1				5
PACI	6	5	1	2			14
SIF	1						1
URCO	3	1	2		1		7
WACI	2						2
Total	31	46	11	6	4	2	100
Core government entities (16)							
PARL	1				1		2
JA		1	1				2
MCEI	1	2					3
MDAL	2						2
MFED	3						3
MFSC	1				1		2
MHA †	14	5	1				20
MET		1			1		2
MSDI	1	4				2	7
MTTD		1					1
MYSCH	1						1
OCP			1				1
ODPP	4						4
OMB	2	1					3
PoCS	3	4			1		8
PLA	4						4
Total	37	19	3	0	4	2	65
Grand total	68	65	14	6	8	4	165

Source: OAG analysis of ISA 260 reports.

APPENDIX D – NEW AND REVISED ACCOUNTING STANDARDS FOR 2025 AND FUTURE PERIODS

CHANGES IMPACTING THE 2025 FINANCIAL STATEMENTS

205. **IPSAS 43 – Leases.** IPSAS 43 is based on *IFRS 16 – Leases*, developed by the International Accounting Standards Board. 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 the ownership model in IPSAS 13. This standard took effect on 1 January 2025. The standard significantly affected the Government. The most significant change relates to accounting for operating leases. Entities with high-value operating leases and lease terms over 12 months had to recognise a right-of-use asset and a corresponding liability on their Statement of financial position. IPSAS 43 exempts short-term and low-value leases. Two public bodies (the CINM and CAYS) received qualified opinions due to non-compliance with IPSAS 43 – *Leases*.
206. **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 took effect on 1 January 2025).
- This standard had minimal impact on the Government.
207. **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 took effect on 1 January 2025, with earlier application permitted. Heritage assets are now covered by IPSAS 45; therefore, all entities with off-balance-sheet heritage assets had to recognise them on their balance sheets. Three public bodies (the CINM, the CNCF and the NGCI) received qualified opinions relating to *IPSAS 45 – Property, Plant and Equipment*.
208. **IPSAS 46 – Measurement.** IPSAS 46 provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. It provides generic guidance on

fair value for the first time. It introduces current operational value, a public sector-specific current value measurement basis that addresses constituents' views on the need for an alternative current value measurement basis to fair value for certain public sector assets. This standard came into effect on 1 January 2025, with earlier application permitted. The impact on the Government was minimal.

209. **International Accounting Standard (IAS) 21 – The Effects of Changes in Foreign Exchange Rates.** Thirteen SAGCs report under the IFRS, and other public bodies apply the IFRS where IPSAS provides no guidance. The amendments, issued as *Lack of Exchangeability (Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates)*, specify when a currency is exchangeable into another currency, how a reporting entity estimates a spot exchange rate when a currency is not exchangeable and what it must disclose in those circumstances.

CHANGES IMPACTING FUTURE-PERIOD FINANCIAL STATEMENTS

CHANGES TO STANDARDS FOR 2026

210. **IPSAS 47 – Revenue.** IPSAS 47 is the single source for revenue accounting guidance in the public sector and presents two accounting models based on a binding arrangement. The 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.
211. **IPSAS 48 – Transfer Expenses.** IPSAS 48 provides accounting guidance for transfer expenses, which account for a significant portion of many public sector entities' expenditure. The new standard fills a significant gap in the IPSAS Board's literature and existing guidance to help entities account for public sector transfer expense transactions. The effective date for this standard will be for periods beginning 1 January 2026.
212. **IPSAS 49 – Retirement Benefit Plans** (issued in November 2023 and effective for periods beginning on or after 1 January 2026). IPSAS 49 provides a principle-based approach to accounting for retirement benefit plans, offering a complete view of their financial activities, assets and obligations, and establishes comprehensive accounting and reporting requirements for the financial statements of retirement benefit plans.
213. **IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures.** The amendments, issued as *Amendments to the Classification and Measurement of Financial Instruments*, clarify when a public body derecognises a financial asset or financial liability settled through an electronic payment system, and how it assesses the contractual cash flow characteristics of financial assets with environmental, social and governance features. These amendments are expected to have minimal impact on public bodies. The effective date for these amendments will be for periods beginning 1 January 2026.

214. **IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures.** The amendments, issued as *Contracts Referencing Nature-dependent Electricity*, address the accounting for contracts to buy electricity generated from sources such as wind and solar, where the volume generated cannot be controlled. These amendments are expected to have minimal impact on public bodies. These amendments will apply to periods beginning 1 January 2026.
215. **Annual Improvements to IFRS Accounting Standards – Volume 11.** The improvements make narrow clarifications, simplifications and corrections to *IFRS 1 – First-time Adoption of International Financial Reporting Standards*, *IFRS 7 – Financial Instruments: Disclosures*, *IFRS 9 – Financial Instruments*, *IFRS 10 – Consolidated Financial Statements* and *IAS 7 – Statement of Cash Flows*. These amendments are expected to have minimal impact on public bodies. These amendments will be effective for periods beginning 1 January 2026.

CHANGES TO STANDARDS FROM 2027 AND BEYOND

216. **IPSAS 50 – Exploration for and Evaluation of Mineral Resources and Stripping Costs in the Production Phase of a Surface Mine (Amendments to IPSAS 12)** were issued in November 2024 and shall be applied for financial statements covering periods beginning on or after 1 January 2027 and relate to accounting by public sector mining entities.
217. **IFRS 18 – Presentation and Disclosure in Financial Statements.** IFRS 18 replaces *IAS 1 – Presentation of Financial Statements*. It introduces defined categories and required subtotals in the statement of financial performance, requires disclosure of management-defined performance measures and strengthens the requirements for grouping information in the financial statements. IFRS 18 will affect all entities that apply IFRS, and public bodies should begin assessing its impact now. The effective date for this standard will be for periods beginning 1 January 2027.

Contact us

Physical Address:

3rd Floor Anderson Square
64 Shedden Road, George Town, Grand Cayman

Business hours:

8:30am - 5:00pm

Mailing Address:

Office of the Auditor General
P. O. Box 2583 Grand Cayman KY1-1103
CAYMAN ISLANDS
Email: auditorgeneral@oag.gov.ky
T: (345) 244 3222

Complaints

To make a complaint about one of the organisations we audit or about the OAG itself, please contact **auditorgeneral@oag.gov.ky**

Freedom of Information

For freedom of information requests please contact **auditorgeneral@oag.gov.ky**

Media enquiries

For enquiries from journalists please contact **Patrick Smith** (345) 244 3204 or email: **auditorgeneral@oag.gov.ky**



OCTOBER 2026