


Annual Report - 31 December 2024

Providing Value to the People of the Cayman Islands





To help the public
service spend wisely

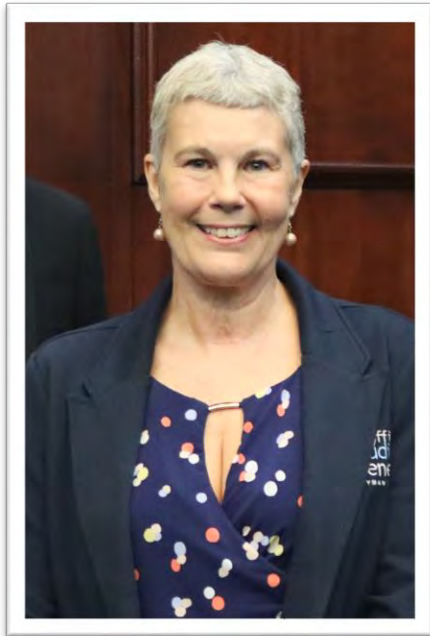
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FOREWORD BY THE AUDITOR GENERAL

Providing Value to the People of the Cayman Islands



I am delighted to present the Annual Report of the Office of the Auditor General (“Office” or “OAG”) of the Cayman Islands for the year ending 31 December 2024 in accordance with Section 69 of the *Public Management and Finance Act (2020 Revision)*.

Sadly, this is my last year as Auditor General of the Cayman Islands and my final annual report as I resigned from my post in March. At the yearend a new Auditor General had yet to be appointed. It has been a huge privilege to lead the Office ensuring that it continues to deliver value to the people of the Cayman Islands.

2024 continued to be a challenging year for me personally as I was absent for periods having medical treatment for my ongoing illness. I am delighted that I was able to resume full-time activities from September and was given the all clear in October. I am grateful and proud of the managers and staff in the Office.

2024 was a successful year for the Office. I was able to work throughout our busy season and we completed the audits of 40 out of 46 financial statements for 2023 by the yearend; 39 of these were done by the statutory deadline of 30 April. All had unqualified audit opinions. This is the most audits, by number and percentage, that we have completed in the last five years, which is a remarkable achievement. We completed five entity audits from prior years. Although I am disappointed that we still have some backlogged audits and I am particularly disappointed with the limited progress made on auditing the entire public service accounts. We also published three performance audit reports and the annual General Report on the 2023 financial statements’ audits.

My Office plays a critical role in the governance framework of the Cayman Islands and holds government to account, especially by working through the Public Accounts Committee (PAC). During the year, we supported the PAC with its administrative meetings and hearings on our reports.



During the year, we continued the management structure that we temporarily put in place in 2022. This has worked well for us and provides greater capacity at the management level. We made one change to a Deputy Auditor General role which now covers corporate and audit quality. However, 2024 was another year of staff change. We said goodbye to four staff and welcomed three new staff. I am thrilled that one of our Caymanian audit trainees passed their final professional exams

and was promoted. We were honoured to support him as he picked up his award at the CIIPA gala dinner in September.

I am delighted that we made a huge step forward in 2024 with our quality assurance framework. During the year we completed the strategy, action plan and started to implement the framework. A small team reporting directly to me carried out the first cold reviews of financial and performance audit files. I also want to acknowledge the support provided by the UK National Audit Office in helping us do these reviews and refine our approach. The reviews found that the performance audit practice was good with limited improvements needed. The outcome from the financial audit reviews is ongoing and will be concluded in 2025.

We were delighted to host H.E. the Governor, who came for a visit in March.

The Office will continue to play its part in helping the public service spend wisely for the present and future benefit of the people of the Cayman Islands. I express my gratitude to my whole team, our clients, the PAC and our audit partners for all their commitment. It is through their efforts that we are able to improve financial management and public services in Cayman.



Sue Winspear, CPFA

Auditor General

28 February 2025

OUR YEAR IN SUMMARY



\$1.3 billion

Public expenditure audited.



40

Audit opinions issued for 2023 financial year.



120

Recommendations made from the findings of our 2023 financial audits.



5

Backlogged audits of public bodies completed.



1

General Report on the 2023 financial statements audits published.



3

Performance audit reports published.



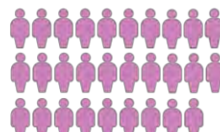
28

Performance audit recommendations made and accepted.



7

PAC meetings and hearing supported.



29

Staff at 31 December 2024.



73%

Staff engagement (2024 staff survey).



\$199k

OAG surplus for 2024 (\$4.2 million revenues generated and \$4 million expenditure).

ABOUT THE OAG

PUBLIC SECTOR AUDIT

Governments and public sector entities are responsible for the use of resources and the delivery of public services. They must be held accountable, in accordance with the Acts and proper standards, to those who use and pay for the services provided. Public resources should be safeguarded, properly accounted for and used economically, efficiently and effectively.

Ministers, boards, chief officers, managers and public officials are primarily responsible for ensuring that public business is conducted in accordance with the Acts and proper standards, and that public money is handled with integrity and spent appropriately. Public bodies and those individuals responsible for conducting their affairs must discharge this accountability by establishing and maintaining proper governance arrangements and effective stewardship of the resources at their disposal.

The special accountabilities that attach to the conduct of public business, and the use of public money, mean that public sector audits must be planned and undertaken from a wider perspective than in the private sector. This means providing not only assurance on the financial statements but also assessing the legality, propriety, and the economic, efficient and effective use of public money.

Public sector audit is an important link in the chain of accountability. It strengthens accountability, both upward to the elected members who provide resources and are representatives of the people, and outward to citizens and users of public services. Public sector audit adds value, not only by reviewing and reporting on what happened, but also by looking forward, identifying where improvements can be made, and promoting good practice. In this way public sector audit contributes to improved standards of governance, better management and decision making, and more effective use of public money.

STATUTORY BASIS FOR OUR WORK

The Cayman Islands Constitution requires that there shall be an Auditor General who shall have *“The power and responsibility to audit the public accounts of the Cayman Islands and the accounts and financial dealings of all authorities, offices and departments of Government and of all courts, and power to undertake value for money investigations in respect of the activities of such authorities, offices and departments.”*

The Constitution further states, *“In the exercise of his or her functions, the Auditor General (and any person acting on his or her behalf in the exercise of those functions) shall not be subject to the direction or control of any other person or authority, save that the Auditor General is answerable to the Public Accounts Committee of the Parliament and must attend upon the Committee at its request.”*

The Auditor General’s powers and duties are also set out in Part VII of the *Public Management and Finance Act*.

WHO WE ARE AND WHAT WE DO

For the parliamentary system of government to work properly, it must have the public's confidence. The Government's programmes must be effective, transparent, and accountable to merit the public's confidence. One important responsibility of the Parliament is to hold the Government accountable for its management of public resources. This work is conducted primarily through the Parliament's Public Accounts Committee (PAC).

The Office of the Auditor General (the Office or OAG) contributes to the accountability process as the auditor of the Government, including all of its various types of public service bodies. The Office helps the Parliament, through the PAC, hold the Government accountable for how it manages public resources by undertaking financial statement audits for the entire public sector and all public sector bodies. Our performance audits promote the economic, efficient, and effective use of public resources. Our Office makes recommendations for improvement in the Government's management of public resources and public services through all of its work.

The work and reports of the Office promote confidence in the Government. Legislators and the public are provided with critical information on whether the Government: has reliable plans, financial reports and performance information; and uses effective processes to safeguard the resources with which it is entrusted, including compliance with Acts, regulations and other relevant authorities.

The Office also does the following:

- encourages discussion and debate about public sector management and accountability issues;
- provides advice to government committees;
- encourages professionalism in the public service;
- develops marketable professionals for the public sector and more widely;
- adheres to the professional assurance standards as published by the International Audit and Assurance Standards Board and the International Organisation of Supreme Audit Institutions (INTOSAI); and
- supports Supreme Audit Institutions (SAIs) in the Caribbean region, and globally, through the Caribbean Organisation of Supreme Audit Institutions (CAROSAI) and INTOSAI.

The Office's work and reports contribute to strong and effective processes and procedures, and informed decision making in the Government. This in turn helps the Government use sound management practices to achieve good results with public resources.

Our **VISION** is to help the public service spend wisely.

Our **MISSION** is to deliver independent, high-quality public-sector audit that promotes accountability, transparency, integrity, and value in the use of public resources.

Our vision and mission are supported by the five-year strategic plan for 2019–2023, which includes four strategic objectives. In 2024, the Auditor General announced that she had resigned and would depart post at a date to be determined. Therefore, the Office decided to roll forward the 2019–2023 plan until a new Auditor General was appointed. This plan was in place for the all of 2024.

OUR STRATEGIC OBJECTIVES

Strengthening the **accountability, transparency, integrity** and **delivery** of public services through high quality audits

Demonstrating ongoing **relevance** to the people of the Cayman Islands, the Parliament and other stakeholders

Encouraging improvement through **leading by example**

Continuously **developing** **our people**

This Annual Report provides a summary of our performance against each of our strategic objectives, and a high-level summary of our resources. Detailed information on our financial performance for the year and financial position at the year-end is included in the audited financial statements on pages 56 to 86.

OUR PEOPLE

The Auditor General is responsible and accountable for the overall management of the Office and is supported by the Deputy Auditors General, who oversee the day-to-day operations; each taking responsibility for a specific area.

OAG MANAGEMENT

In 2022, the Office reorganised its management structure for a two-year period. In 2024, we continued with the new management structure leaving the new Auditor General to determine the ongoing structure when they take up post.

OAG management is organised into two management teams – the Corporate Management Team and Practice Management Team.

Corporate Management Team

The Corporate Management Team (CMT) comprises the Auditor General, Deputy Auditors General and Corporate Services Manager. The CMT sets the policy direction, reviews the financial, staffing and overall performance of the Office and takes all decisions relating to the corporate functions of the OAG.



Sue Winspear

Auditor General

Sue is responsible and accountable for all audit opinions given and the overall management of the Office.

Patrick Smith

Deputy Auditor General (Corporate and Audit Quality)

Patrick is responsible for overseeing backlogged and outsourced financial audits. His corporate activities include finance and IT. Until April 2024, Patrick also worked part-time on international activities (for which the Office is paid). In May 2024, Patrick's role changed to include supporting the Auditor General with the audit quality management arrangements in the Office.





Angela Cullen

Deputy Auditor General (Performance Audit)

Angela is responsible for managing our performance audit practice. Angela is the Engagement Quality Reviewer for our in-house financial audits. Her corporate activities include operational planning, performance management and reporting, and media.

Winston Sobers

Deputy Auditor General (Financial Audit)

Winston is responsible for managing the financial audit practice (in-house). His corporate activities include resource planning.



Katrina Thomas

Corporate Services Manager

Katrina manages OAG's corporate functions.

Practice Management Team

The Practice Management Team (PMT), comprises the Auditor General, Deputy Auditors General for Financial Audit and Performance Audit, and the four Audit Managers. The PMT sets the direction and oversees all audit practice related matters, including resourcing decisions and learning and development.



Julius Aurelio

Audit Manager (Quality Assurance and Information Technology)

Julius managed a portfolio of outsourced financial audits (until the 2022 financial statements' audits were completed) and inhouse IT audits. He also supports the corporate IT function and undertakes quality assurance of both audit practices.

Adrian Murenzi

Audit Manager (Performance Audit)

Adrian manages performance audits and a portfolio of in-house financial audits.



Gabriel Ncube

Audit Manager (Financial Audit and Performance Audit)

Gabriel manages a portfolio of in-house financial audits and performance audits.

Ruel Huet

Audit Manager (Financial Audit and Backlog Audits)

Ruel manages the dedicated backlog audit team and a portfolio of in-house financial audits.



OAG management was supported during the year by a team of 18 audit staff and an administrative officer. The audit team includes 15 Audit Project Leaders, who are fully qualified members of professional accountancy bodies, an Auditor and two Audit Trainees. The Auditor and one Audit Trainee are part-qualified. We provide more information about our staff in **Developing our People**.

STRENGTHENING PUBLIC SERVICES

Our first strategic objective is strengthening the accountability, transparency, integrity and the delivery of services in the public sector.

As the auditor of government spending, our work gives us direct insight into how the public sector is operating and changing. As well as having direct interaction with every public entity each year, we also have an independent reporting role protected by legislation. We provide a credible, reliable and evidence-based source of information to government, legislators and society and can contribute to strengthening the public sector through our audits, by using our powers of reporting, and our interaction within and outside the public sector, on matters such as governance, accountability, financial sustainability and the efficient, effective and economic use of resources.

We have set ourselves the following five goals to achieve this strategic objective:

1. Timely conduct of high-quality, evidenced-based, relevant audits.
2. Impactful recommendations.
3. Follow up on implementation of recommendations.
4. Drive transparency in the public service.
5. Drive accountability.

These goals are supported by a range of actions and success measures.

KEY ACHIEVEMENTS IN 2024

In 2024 we:

- ✓ Completed the annual audit of the 2023 financial statements for 40 (of 46) entities; 39 by the statutory deadline of 30 April. All had an unqualified audit opinion.
- ✓ Issued and finalised 33 reports to those charged with governance on the findings from the 2023 financial statement audits. These reports included 122 recommendations; 85 per cent were accepted by audit clients. The recommendations aim to improve a range of issues including control weaknesses, non-compliance with laws and regulations, accounting, risk management, and governance.
- ✓ Published the annual General Report summarising the 2023 financial audits.
- ✓ Completed five entity audits from prior years; all had unqualified audit opinions.
- ✓ Published three performance audit reports. These reports included 28 recommendations for improvement in performance audit reports; all were accepted by management.

- ✓ Were working on an additional seven performance audits. One was in the final stages of reporting, another was at the reporting stage and others were at various stages.

TIMELY CONDUCT OF HIGH-QUALITY, EVIDENCE-BASED, RELEVANT AUDITS

The core activities of the OAG are the annual, financial audit of the Government and its agencies; and performance audits reporting on the economy, efficiency and effectiveness of public spending to the Parliament. Through these we hold the Government to account for its spending and for providing value for money in public services.

FINANCIAL AUDIT

Our financial audit work helps the Parliament hold organisations to account for around \$1.3 billion of annual expenditures, over \$3.9 billion in total assets and \$1.8 billion in total liabilities. Our audits provide independent assurance to the Parliament on how public money has been spent, how revenue has been generated, and whether assets have been safeguarded and liabilities are fully recognised.

The *Public Management and Finance Act* sets the statutory deadlines for the submission of draft financial statements as end of February each year and states that the annual audits should be completed within two months, that is 30th April each year.

Our audit cycle covers three main elements: planning the audit, interim audit and completion of the audit.

FINANCIAL STATEMENT AUDITS FOR 2023

Overall, the number of audits to be completed for the 2023 financial year was 46 (the same as the 2022 financial year: 46).

By the end of the statutory deadline of 30th April, we completed the 2023 financial statements audits and issued audit opinions for 39 entities. By the end of the year, we completed the audits and issued audit opinions for 40 entities (Ministries, Portfolios and Offices and Statutory Authorities and Government Companies (SAGCs)) (2023: 42). Of these 40 audits, 18 were of core government entities and 22 were SAGCs. The OAG team completed 36 audits and four were completed by audit firms. All of the 40 audit opinions issued for 2023 were unqualified; similar to the prior year.

Exhibit 1 shows the number and percentage of audits completed in each of the five years 2020 to 2024. Audits completed within each calendar year are of the financial statements for the previous financial year. That is, the audits completed in 2024 are of the 2023 financial statements.

Exhibit 1 – Number and percentage of audits completed in 2024 and previous four years

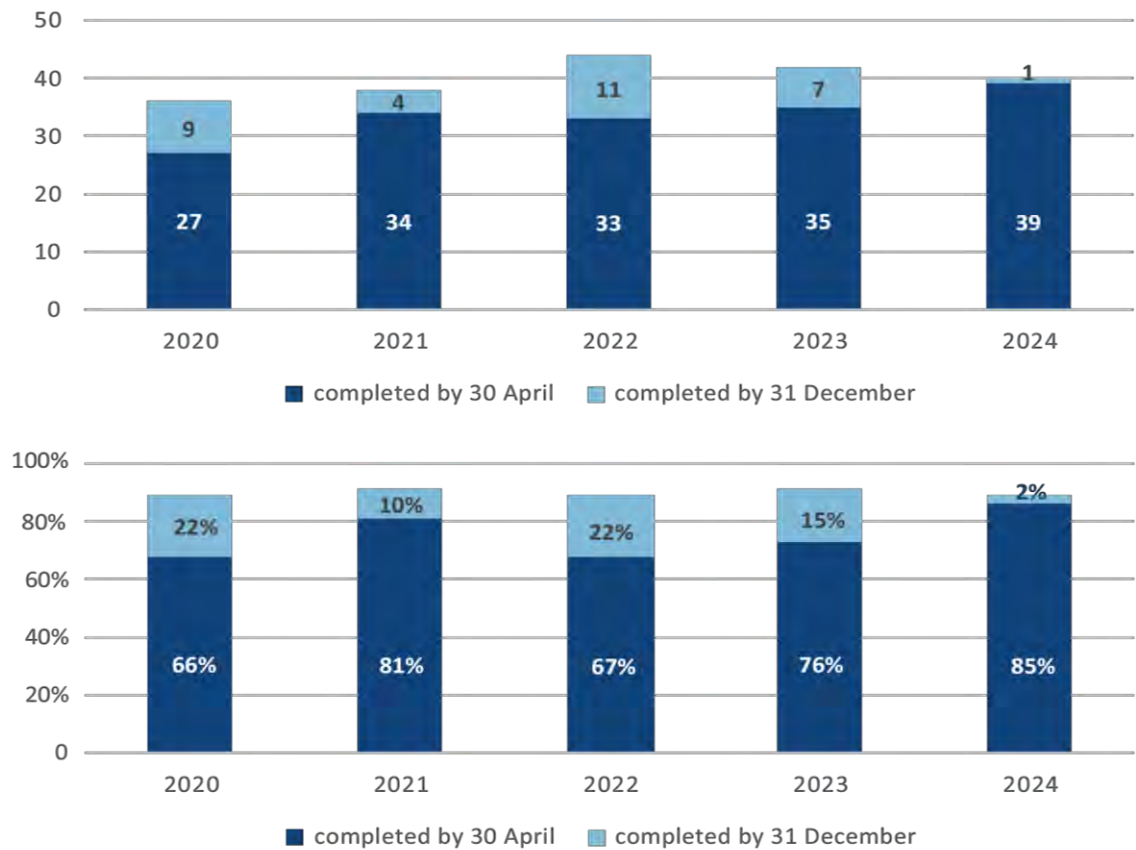


Exhibit 1 highlights that the number of entity audits completed by the statutory deadline of 30th April has increased since 2020. The percentage completed by the same deadline varies because of the total number of entities to be audited each year. The number and percentage of audits completed by the statutory deadline in 2024 was higher than any of the previous four years.

REPORTING ON THE OUTCOME OF THE 2023 FINANCIAL AUDITS

Of the 40 entity audits completed, we had reported the findings of the audit to those charged with governance for 31 clients by the end of the year. At the yearend five reports were issued and awaiting management response. We did not report any issues arising from the audit of three entities.

FINANCIAL STATEMENT AUDITS FOR 2023

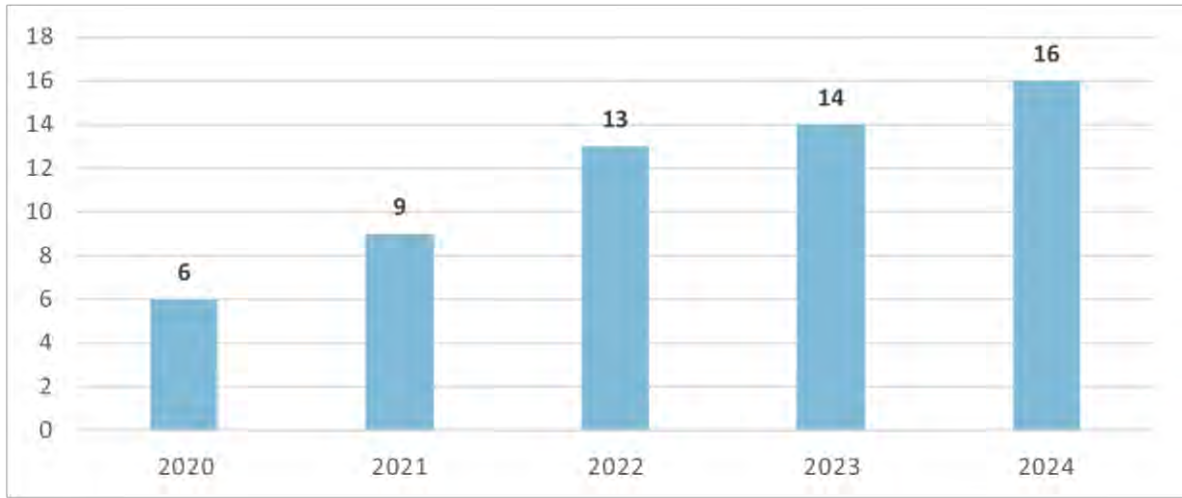
During the year we started our 2024 financial statements’ audits. We started planning our audits of the 2024 financial statements in September and carried out interim audit work for the majority of entities between October and November. The audits will be completed in 2025.

BACKLOGGED AUDITS

During 2024 we continued to work cooperatively with our audit clients to try and clear the backlog of audits. We completed five entity audits from prior years, issuing unqualified audit opinions for the Ministry of Health (2018), Cayman Islands Airport Authority (2019), National Housing Development Trust (2022) and the Cayman Turtle Centre (2021 and 2022).

As at 31 December 2024, a total of 16 financial statements’ audits, including EPS, were outstanding. This is higher than the previous year (14). Exhibit 2 shows that we have consistently had a number of backlogged audits over the last five years.

Exhibit 2 – Number of backlogged audits at the period end, 2020–2024



The 16 backlogged audits at the end of 2024, covered six entities and the EPS (discussed in the next section) (Exhibit 3).

Exhibit 3 – Backlogged audits at the end of 2024

Entity	Year(s) Outstanding					Total
	2019	2020	2021	2022	2023	
Ministry of Health	✓	✓	✓	✓	✓	5
Cayman Islands Airport Authority		✓	✓	✓	✓	4
Entire Public Sector			✓	✓	✓	3
Cayman Turtle Conservation and Education Center Limited					✓	1
National Housing Development Trust					✓	1
Maritime Authority of the Cayman Islands					✓	1
Ministry of Planning, Agriculture, Housing, Infrastructure, Transport & Development					✓	1
	1	2	3	3	7	16

Note: The Ministry of Health, Environment, Culture and Housing's 2019 financial statements were signed in February 2025 with an unqualified audit opinion. The 2023 financial statements for the Maritime Authority of the Cayman Islands were signed in February 2025 with a qualified audit opinion.

The Office has a dedicated team of staff to work on backlogged audits, which was created in late 2022. The team is led by Patrick Smith, managed by Audit Manager, Ruel Huet and has two dedicated Audit Project Leaders. The team is supported by other staff at certain times of the year. This dedicated team has allowed us to continue to work on backlogged audits throughout the year, including during our busy interim and final audit periods. However, we have not made as much progress as we had expected during 2023 or 2024. The two entities with significant backlogs have limited staff in their finance teams who have experienced conflicting priorities. This has resulted in delays and issues with the quality of information provided to the audit teams.

ENTIRE PUBLIC SECTOR (EPS) FINANCIAL STATEMENTS

The EPS financial statements include all of the executive expenditures of Government, which include transfer payments, executive expenses and loan transactions. The EPS financial statements also include coercive revenues (that is revenue earned by the core government using the coercive power of the state for which no direct exchange of service occurs). Neither executive expenditures nor coercive revenues are reported in the individual entity financial statements.

Exhibit 4 summarises the progress that we have made with the audits of the EPS financial statements past decade. Our audit opinions on the EPS financial statements moved from disclaimed to adverse in 2013–14 but have remained adverse since then. We continue to issue adverse audit opinions as there are some significant issues that need to be addressed. We reported on these issues in our most recent

General Report on the 2023 financial statements that we published in November, which is discussed later.

Exhibit 4 – Progress with the EPS audits

Year	Date audit completed or status	Audit opinion	Tabled in the Parliament
2023	Not started		
2022	Not started		
2021	In progress		
2020	18 December 2023	Adverse	
2019	5 July 2022	Adverse	
2018	10 August 2021	Adverse	8 December 2022
2016-17	9 September 2019	Adverse	8 December 2022
2015-16	19 October 2017	Adverse	16 March 2018
2014-15	7 December 2016	Adverse	27 March 2017
2013-14	30 September 2015	Adverse	24 June 2016

As reported previously, the OAG set up a dedicated team to work on backlogged audits in late 2022. At the end of 2024, the audit of the EPS financial statements for 2021 was in progress, and the 2022 audit had yet to start.

Although we have made progress with the EPS audit it continued to be backlogged. The Ministry of Finance and Economic Development did not have final numbers because of delays with some financial statements' audits. The EPS team within the Cayman Islands Government also had limited resources. The EPS team has an action plan to try to resolve the issues contributing to the adverse audit opinion. During 2024, the EPS team continued to work on trying to improve the approach for roads valuation and addressing the valuation of the landfill remediation. These have taken longer than anticipated.

We previously expressed concerns about the transparency and accountability of the audited EPS financial statements as there were significant delays in tabling these in the Parliament. The most recent EPS financial statements tabled in the Parliament are for 2018, which was tabled in December 2022.

OTHER AUDIT AND STATUTORY WORK

During 2024, the Office completed the following two pieces of other statutory work:

- We completed the review of water rates for the Water Authority of the Cayman Islands as required by The Water Authority Regulations.
- We provided an auditor's certificate for the Cayman Islands Development Bank (CIDB). This is required under section 23 (3) of the *Development Bank Act (2004 Revision)* to certify that adequate procedures are in place for anti-money laundering.

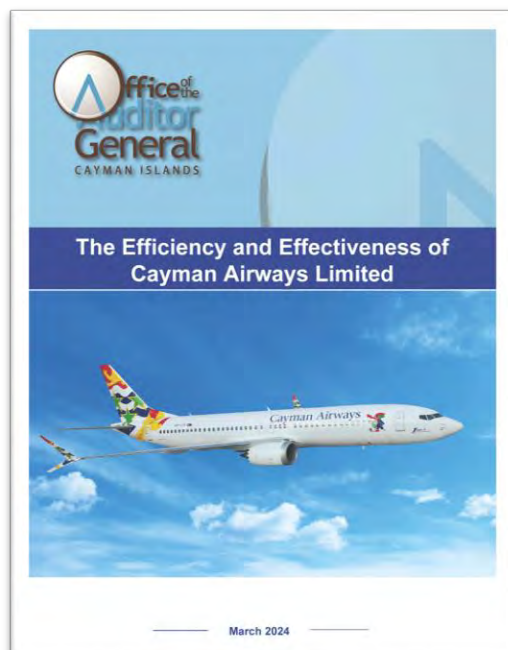
PERFORMANCE AUDIT

A fundamental part of our remit is to conduct audits of whether the Government and the wider public sector carries out their business economically, efficiently, and effectively.

We carry out our performance audits in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). In complying with the standards, the OAG follows a set methodology to ensure that the audits are appropriately planned, executed and reported. While there are several key elements of the methodology, the clearance of the draft audit reports with senior government officials is an important step that is carried out with every audit. In this step, senior officials, including the Deputy Governor for core government, confirm the factual accuracy of the information in the report before it is finalised and issued to the Parliament.

The Office may also publish public interest reports. These reports focus on important issues that the Office considers to be of public interest. They report facts only and do not include any conclusions or recommendations.

During 2024 we published three performance audit reports.



In March, we issued *The efficiency and effectiveness of Cayman Airways Limited*.

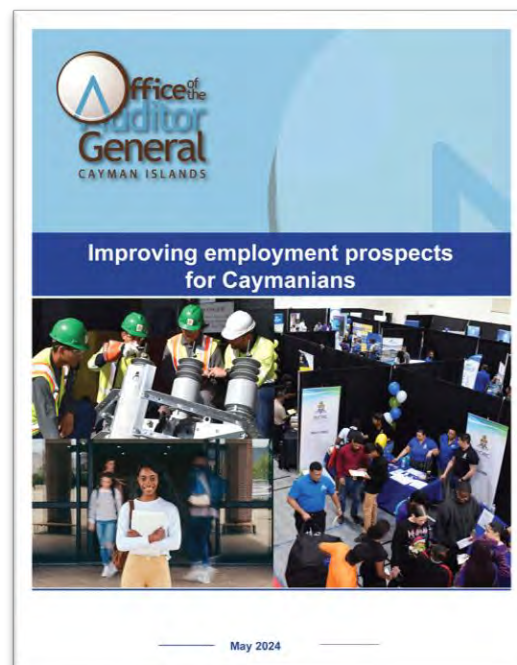
This performance audit assessed Cayman Airways Limited's (CAL) efficiency and effectiveness. The audit covered CAL's governance, oversight, performance and use of resources for the five years 2018 to 2022.

The report concluded that measuring CAL's performance was challenging and where performance could be measured it was mixed. The report also stated that CAL had improved its fleet, which should improve its performance. However, the report also concluded that CAL consistently made losses, the funding model was unclear and budgets were unrealistic.

In May, we issued *Improving employment prospects for Caymanians*.

The audit assessed Workforce Opportunities & Residency Cayman's (WORC) efficiency and effectiveness in improving employment prospects for Caymanians. The audit also considered contributions from other public sector entities as improving employment prospects requires a joined-up approach. The audit covered the four-year period 2019 to 2022.

The report concluded that successive governments had committed to improving employment prospects for Caymanians but it was unclear how this would be achieved. The report stated there was no overarching strategy for employment. However, based on the global definition set by the International Labour Organisation, the Cayman Islands consistently achieved full employment except during the COVID pandemic. The report concluded that use of WORC's online jobs portal had significantly increased since its launch but it had major deficiencies. The report also concluded that although the take-up of employment programmes was high, their effectiveness was unclear. The report highlighted a range of barriers to employment that need to be addressed. For example, the mismatch between what employers need and what job-seekers want.



In November, we issued *The Government's approach to sustainable economic development*.

The audit assessed the Government's approach to sustainable economic development. It considered strategic direction, planning for economic shocks and the effectiveness at developing and diversifying the economy. It covered the five-year period 2018 to 2022.

The report concluded that the Cayman Islands' economy performed consistently well over the five years but the cost of living is high. The report states that the Government spent at least \$1.2 billion supporting four economic sectors. Combined, the four sectors contributed around 70 per cent of Gross Domestic Product annually, generated half of government revenues and employed around half the workforce. The financial services sector is the largest contributor to the economy. The report also concluded that successive Governments had clear

priorities for economic growth and diversification but there is no overarching economic development strategy or clear plans to diversify the economy.

We reported in previous years that we had issued a draft report to the Government in December 2021 on *The Integrated Solid Waste Management System for the Cayman Islands (ReGen)*. We also previously stated that we would publish the December 2021 report and an update after the Government had reached financial close on the contract. In July 2024, the Government announced that it planned to start negotiations to exit the contract. As a result, we issued the draft report from December 2021 to Parliament on 30th July 2024 and planned to publish the report on 1st August 2024. However, the Government confirmed on the planned publication date that the report contained commercially sensitive information. The Government also stated, at that time, that it wanted to provide comments on the factual accuracy of the report from December 2021. The Office agreed to work with the Ministry of Sustainability and Climate Resiliency to update the report for any factual inaccuracies as at December 2021 and redact commercially sensitive information. As at the end of December, we were awaiting clarification on some issues. We plan to re-issue and publish the December 2021 report in early 2025.

As at 31 December 2024, work was underway on a further six performance audits. These were:

- Improving Financial Transparency and Accountability – Long-Term Financial Sustainability.
- Affordable Housing.
- Governance in Statutory Authorities and Government Companies (SAGCs).
- Grants to Non-Government Organisations.
- George Town Revitalisation.
- The efficiency and effectiveness of OfReg.

In early 2024, we put on hold our performance audit *The Cayman Islands Government's progress with the five-year strategic plan to become a world-class civil service*. This was as a direct result of the civil service updating and launching a new five-year strategic plan. We will keep this under review and restart the audit at a later date.

IMPACTFUL RECOMMENDATIONS

An essential element of our role in strengthening public services is by providing insight to decision makers and making impactful recommendations to the bodies that we audit. It is important that our recommendations are accepted and implemented by bodies.

FINANCIAL AUDIT

As reported previously, by the end of December 2024 we had finalised 33 reports to those charged with governance on the outcome of the 2023 financial audits. Within these reports, we made 122 recommendations for improvement. These recommendations covered a range of issues. The most common recommendations made were aimed at improving compliance with Acts, regulations, and

policies, internal control weaknesses, accounting issues, risk management, and governance. Management within the 33 entities accepted 85 per cent of the 122 recommendations. It was unclear, if 15 (12 per cent) had been accepted. This is a significant improvement on the prior year when 53 per cent of recommendations were accepted and it was unclear if 39 per cent were accepted.

During the year, the OAG's technical team reviewed the work of the management expert engaged by the Ministry of Finance and Economic Development to provide guidance on the implementation of IPSAS 41. As a result of our input, changes were made to the guidance note and significant changes made to the proposed disclosures in the 2023 financial statements of those entities using IPSAS.

PERFORMANCE AUDIT

Our performance audit work aims to improve the Government's governance structures, financial management. It also helps public service to become more efficient and effective and achieve better value for money.

During 2024, we made a total of 28 recommendations in three performance audit reports.

- *The efficiency and effectiveness of Cayman Airways Limited* included 14 recommendations. Cayman Airways Limited and the Ministry of Tourism and Ports accepted all of the recommendations.
- *Improving employment prospects for Caymanians* included 10 recommendations. Workforce Opportunities & Residency Cayman, the Ministry of Border Control, Labour & Culture and the Ministry of Education accepted all of the recommendations made.
- *The Government's approach to sustainable economic development* included four recommendations. All recommendations were accepted.

During 2024, two recommendations made in our November 2021 performance audit report *HSA Outpatient Pharmacy Services* were implemented. In that report, we highlighted that the *Pharmacy Act* dated back to 1979. We recommended that the Government finalise, enact and bring into force an updated Pharmacy Act as soon as possible. The Parliament approved a new *Pharmacy Act* in July 2024, but, it had not been brought into force by the year end. We also recommended that the Pharmacy Council ensure that standards of practice for pharmacy technicians were finalised, published and brought into force as soon as possible. The Health Practice Commission issued the standards in May 2024.

In November 2024, the Government announced the date of the 2025 election. The Deputy Governor issued a reminder of the guidance for public servants during a period of election sensitivity that was issued in December 2022. The guidance was introduced in response to the Auditor General's recommendation in the special investigation into the overseas offices and Expo in 2021.

FOLLOW UP ON IMPLEMENTATION OF RECOMMENDATIONS

During 2024, we did not publish any reports following up on the implementation of past recommendations on performance audits made by the OAG and PAC. The Government tabled the Government Minutes for the following seven PAC reports in Parliament in July 2024.

- Information and Communications Technology Authority 2015/16 Financial Statements.
- HSA outpatient pharmacy services (November 2021).
- General Report for 31 December 2020 (December 2021).
- Follow Up on past PAC recommendations 2022 – Report 1 (Jan 2022).
- The Government's shift to online services (June 2022).
- General Report for 31 December 2021 (September 2022).
- Follow Up past PAC recommendations 2023 – Report 1 (March 2023).

However, the Government Minutes did not include an update position on the implementation of recommendations made by the OAG. Therefore, we were unable to report on progress with implementing the recommendations in these reports.

As at December 2024, the Government had yet to respond to the PAC report from December 2020 on *Efficiency and Effectiveness of OfReg*. As reported earlier, the OAG has started a new performance audit that will follow up on the implementation of the recommendations previously made by the OAG and PAC.

DRIVING TRANSPARENCY AND ACCOUNTABILITY IN THE PUBLIC SERVICE

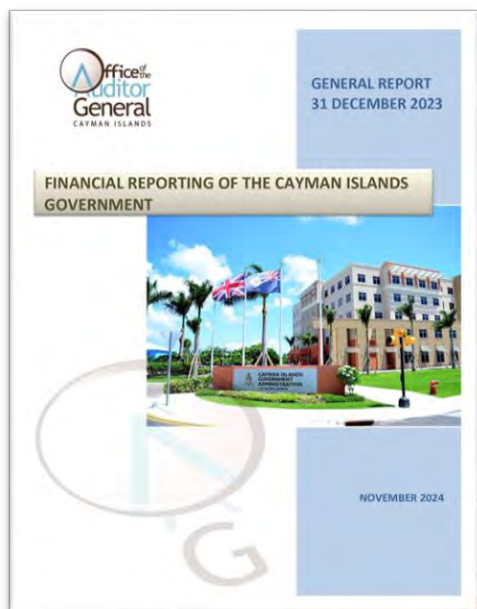
A key focus in strengthening the public sector is ensuring that the Government and each entity operates using the highest level of transparency.

CONDUCTING OUR AUDITS IN ACCORDANCE WITH INTERNATIONAL PROFESSIONAL STANDARDS AND IN A TIMELY WAY

We conduct our financial audit work in accordance with International Standards on Auditing (ISAs), also paying regard to ISSAIs. The audits are delivered by staff who are qualified members of professional accountancy bodies or working under a qualified member.

Three local audit firms conducted six financial statement audits on behalf of the Auditor General for the 2023 financial year. The 2023 financial year was the first year of the five-year appointments (2023 to 2027). See Appendix 1 for a listing of auditors for the five years from 2023 to 2027.

As public auditors we ensure our independence and effectiveness through the application of a Code of Conduct prescribed by the International Federation of Accountants and ISSAI 30, along with the code of ethics for Supreme Audit Institutions. The Auditor General performs the role of the ethics partner and provides advice on compliance with the standards.



In November, we published *Financial Reporting of the Cayman Islands Government: General Report 31 December 2023*.

The General Report summarised the financial performance of core government entities and SAGCs for the 2023 financial year. The General Report concluded that while all audit opinions for 2023 issued by 30 September 2024 had unqualified audit opinions the quality of financial reporting needed to improve. In particular, the report raised concern about the number and value of audit adjustments made after the draft financial statements were submitted for audit.

The report raised concerns about the extent of non-compliance with Acts and regulations, specifically in relation to the *Procurement Act* and Regulations and the *Public*

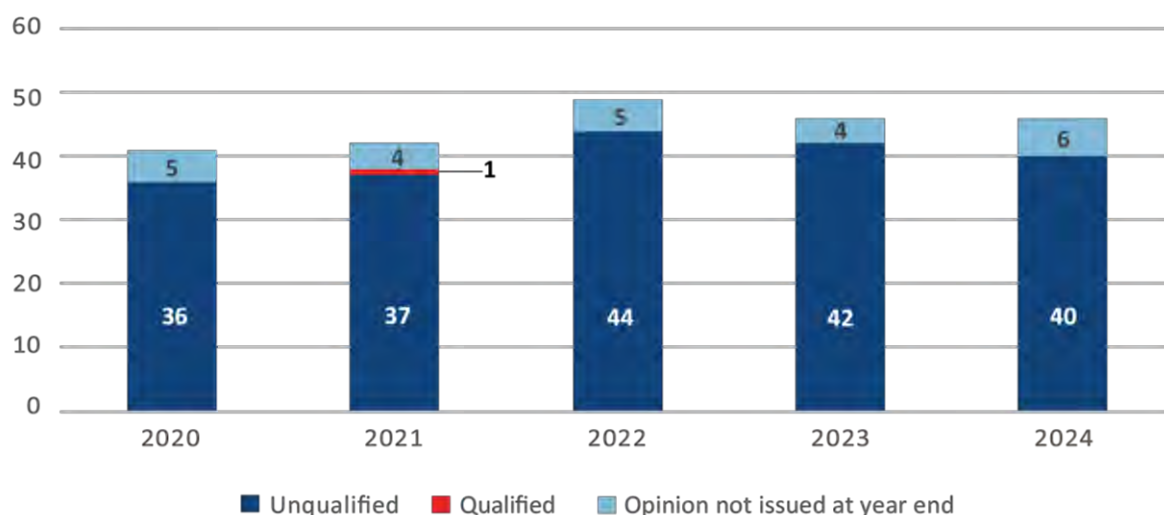
Authorities Act. This is a recurring theme from prior years.

The report also concluded that despite highlighting upcoming changes in financial reporting standards in prior years, public bodies were not sufficiently prepared for the implementation of IPSAS 41. This resulted in significant delays for some audits.

The report did not include recommendations but highlighted that the PAC had endorsed the five recommendations made in the previous General Report for 2022.

Exhibit 5 summarises the audit opinions issued over the last five years 2020 to 2024 by the year end (for financial years 2019 to 2023). The exhibit shows that most entities receive unqualified audit opinions. As reported earlier, of the 40 audits completed for 2023 by the year end, all received an unqualified audit opinion.

Exhibit 5 – Audit opinions issued for entity financial statements by each yearend in the five years 2020 to 2024, for financial years 2019 to 2023



Note: The exhibit excludes the financial statements for the entire public sector (EPS).

An important part of accountability and transparency is the reporting of performance and publication of annual reports and financial statements. Public bodies routinely prepare annual reports to accompany their financial statements. In previous years, we have expressed concern about the tabling of Annual Reports in the Parliament. We are pleased to note that there has been a significant improvement in tabling Annual Reports and Financial Statements, which aids transparency.

Exhibit 6 provides a summary the number of entity financial statement audits completed, the number of entity backlogged audits, and the number of financial statements and annual reports tabled in the Parliament, at the end of 2024. The exhibit shows that for the five financial periods 2019 to 2023, 91 per cent of entities whose audits are completed have tabled their Annual Reports in Parliament. For the 2023 financial year, 78 per cent of audited entities had tabled their annual report and financial statements in the Parliament by the year end.

Exhibit 6 – Status of entity audits and Annual Reports tabled in Parliament for the five years 2019 to 2023 - as at 31 December 2024

Financial Statements Year	Total number of entities to be audited	Audits		Annual Reports and Financial Statements tabled in the Parliament	
		Completed	Outstanding	Number	Percentage of completed audits with Annual Reports tabled
2023	46	40	6	31	78%
2022	46	44	2	41	93%
2021	49	47	2	42	89%
2020	42	40	2	39	98%
2019	41	40	1	39	98%
Total	224	211	13	192	91%

Note: Financial statements are audited during the following financial year i.e., the 2023 financial statements were audited during 2024. The information in the exhibit is for public bodies audited by the OAG only. It excludes the OAG and EPS. Information on EPS financial statements and annual reports is included earlier at Exhibit 4. Two Annual Reports were tabled in the first meeting of the Parliament in 2025 (one for 2022 and one for 2023).

DRIVING ACCOUNTABILITY

It is important that public sector officials respond appropriately and take actions on our findings and recommendations. We promote our findings and recommendations through the different accountability levels.

At the highest level, we work with the Parliament’s Public Audit Committee (PAC) to ensure that they hold the Government accountable. We work closely with the PAC to promote effective management and greater accountability for public resources. See the next section on **Demonstrating Relevance** for a summary of our work with the PAC.

At the government level, the Auditor General attends the Government’s Audit Risk and Assurance Committee (ARAC) meetings. The ARAC was set up in 2019 as a result of recommendations made by our Office. The ARAC is intended to provide the Deputy Governor, as head of the civil service, with independent and objective advice on the comprehensiveness, reliability and integrity of assurances on government, risk management and control for the Cayman Islands Government. During the year the Auditor General or Deputy Auditors General attended the quarterly meetings of the ARAC.

Staff from the Office attended board and audit committee meetings of Statutory Authorities and Government Companies as necessary during the year.

DEMONSTRATING RELEVANCE

Our second strategic objective is demonstrating ongoing relevance to the people of the Cayman Islands, the Parliament and other stakeholders.

We aim to demonstrate our relevance by considering the views of our external stakeholders, including those who use public services, and ensure that we are focusing on the areas most relevant to them.

We place great importance on relationships with all of our stakeholders. Our stakeholders are the Parliament and particularly the PAC, elected and appointed officials, public entities, professional organisations, and all people of the Cayman Islands.

We want to be responsive to the challenges faced by the public, the expectations of different stakeholders, and the emerging risks and changes in the environment in which we conduct our work. It is also important that we continue to have a dialogue with stakeholders about how our work can facilitate improvement in the public sector

We have set ourselves the following five goals to achieve the strategic objective to **demonstrating relevance**:

1. Focusing our work of issues of national importance or priority, and at a point in time when the impact is greatest.
2. Communicate clearly and effectively with stakeholders.
3. Ensure efficient and effective audits, leveraging technology where possible.
4. Adding value to the client's business.
5. Actively contributing to improving the regional and international audit community.

These goals are supported by a range of actions and success measures.

KEY ACHIEVEMENTS IN 2024

In 2024 we:

- ✓ Achieved our performance outputs as agreed with the Parliament.
- ✓ Supported the PAC at seven meetings (four administrative meetings and three hearings on our reports), and in preparing three PAC reports.
- ✓ Updated and published our five-year rolling performance audit programme for 2024 to 2028.
- ✓ Published all reports and press releases on our website and promoted these on social media.

- ✓ Received good scores from our surveys of audit clients on completed financial audits and performance audits. One performance audit survey was issued in 2024.
- ✓ Developed and launched a new website.
- ✓ Contributed to and supported remotely a range of regional and international audit developments.

FOCUSING OUR WORK ON IMPORTANT AND PRIORITY ISSUES

We aim to be responsive to the challenges faced by the public, and the expectations of different stakeholders, and to emerging risks and changes in the environment we work in. It is essential, therefore, that we have continuous and effective dialogues with our stakeholders.

SUPPORTING THE PAC

Our most important relationship is with the PAC and the support we provide to enable it to carry out its mandate.

During 2024, the PAC held a total of seven meetings (2023: seven). Four of these were administrative meetings. The PAC also held three hearings on three OAG reports. The Auditor General, Acting Auditor General and other members of our Office attended all PAC meetings in 2024.

During the year we presented five OAG audit reports to the PAC. These included (see Appendix 2 for detailed information on the reports published in 2024):

- Three performance audit reports;
- One public interest report; and
- The general report summarising the financial statements audits from 2023.

In March, the PAC considered two OAG reports. We presented our performance audit report on *The efficiency and effectiveness of Cayman Airways Limited* that we issued that month and the public interest report *Remuneration of the Cabinet, Judiciary, MPs and Key Management Personnel within the Civil Service* that we issued in November 2023. The PAC noted the public interest report and agreed to hold a hearing on the performance audit report.



In May, the PAC considered our performance audit report *Improving employment prospects for Caymanians* that we issued that month. The PAC agreed to hold a hearing on the report.

In June, the PAC held a witness hearing on our performance audit up report, *The efficiency and effectiveness of Cayman Airways Limited* (March 2024). The PAC prepared its own report, which strongly endorsed and supported our recommendations and made one additional recommendation. The PAC tabled its report in the Parliament in December 2024.

In September, the PAC held a witness hearing on our performance audit up report, *Improving employment prospects for Caymanians* (May 2024). The PAC prepared its own report, which strongly endorsed and supported our recommendations and made one additional recommendation. The PAC tabled its report in the Parliament in December 2024.

In November, the PAC considered our reports, *Financial Reporting of the Cayman Islands Government – General Report 31 December 2023* and *The Government’s approach to sustainable economic development* that we published that month. The PAC decided to hold a hearing on these reports, which were scheduled for December 2024 and later rescheduled to January 2025.

MEETING OUR PERFORMANCE AGREEMENT

Our Performance Agreement with Parliament for 2024 was to issue 3–5 reports to Parliament and have a further 2–3 audits in progress. As outlined in the previous section, **Strengthening Public Services**, we met this requirement. During 2024, we issued four reports and had a further seven performance audits in progress at the yearend.

PERFORMANCE AUDIT PROGRAMME

We continually review and refresh our performance audit (PA) programme to ensure that it is focused on important and high-risk issues. The OAG has a five-year rolling PA programme that we update annually.

In May 2024, we published our five-year PA programme for 2024 to 2028. This confirmed the new performance audits that we planned to start during 2024.

COMMUNICATING CLEARLY AND EFFECTIVELY WITH STAKEHOLDERS

It is important that we engage and communicate effectively with our clients about our work and activities, and we are proactive in providing professional advice to Government without compromising our independence or duties to the Parliament. These activities help overcome resistance and remove barriers to improvement.

COMMUNICATING WITH STAKEHOLDERS

During 2024 the OAG team continued to meet and consult with stakeholders. We provided information and advice on many issues around areas including financial accounting, procurement, governance and programme management. Specific activities undertaken included the following:

- As reported earlier, the Auditor General was absent for periods of the year. The Auditor General continued to meet the Governor and Deputy Governor whenever possible. However, she did not have as many meetings as usual with Chief Officers of the various Ministries and Portfolios and CEOs/Managing Directors of the SAGCs. The Auditor General met with the Government's newly appointed Chief Risk Officer.
- The Auditor General, and her Deputies as required, attended quarterly meetings of the Government's Audit and Risk Assurance Committee.
- The Deputy Auditor General (Financial Audit) and his team also met with the Financial Secretary, Board members and other key stakeholders throughout Government to apprise them of financial statement and compliance issues noted during the completed financial statements audits as well as emerging matters and the implications for future audits.
- The Deputy Auditor General (Corporate and Audit Quality) and his backlog team met with individual Chief Officers, Chief Executive Officers and Chief Financial Officers to discuss progress on backlogged audits. A number of technical issues affecting the progress of the audits were discussed and remedies and findings around quality of the accounts were highlighted.
- The Deputy Auditor General (Performance Audit) and her team met with the Deputy Governor, various Chief Officers, Chief Executive Officers and other senior public servants to discuss individual performance audits.
- The Auditor General and Office also continued to maintain strong working relationships with key partners such as the Office of the Ombudsman, Anti-Corruption Commission, the Financial Crimes Investigation Unit, Internal Audit Services, Cayman Islands Institute of Professional Accountants (CIIPA) and private sector audit firms.

HOW WE COMMUNICATE WITH THE PUBLIC

We engage with the wider public through our website and social media. We publish all of our reports and press releases on our website and promote these through social media. Our website can be found at www.auditorgeneral.gov.ky/.

We issue press releases to all of the media outlets in the Cayman Islands for all of our published reports and other information that we want to put into the public domain. During the year, we distributed four press releases about published reports (see previous section on **Strengthening Public Services**) to the media.





In 2024, the OAG was mentioned in 80 news articles by media outlets in the Cayman Islands. These articles highlighted a wide variety of our reports from 2024 and previous years, evidence given to PAC hearings, OAG activities and the Auditor General’s resignation.

Some of our reports attracted significant media coverage. For example, our performance audit report on *The Efficiency and Effectiveness of Cayman Airways Limited* was covered in 22 news articles, including coverage of the PAC hearing.

We also use social media to promote our work and activities. Our main social media activity is through our Facebook page (www.facebook.com/Office-of-the-Auditor-General/), our LinkedIn account (<https://www.linkedin.com/company/office-of-the-auditor-general-cayman-islands/>), and our Instagram page (www.instagram.com/oagcayman/) @oagcayman. During 2024, the OAG also started using X (Twitter) (<https://x.com/oagcayman>).

During 2024, we posted 108 items on social media, promoting our reports and other activities, across the four platforms. The majority of these posts were on Facebook. These posts generated a total of 436 reactions and 74 comments.

Exhibit 7 – Social media activity in 2024

				
Posts	47	19	16	26
Reactions	236	133	35	32
Comments	59	15	0	0

Note: The OAG X (Twitter) accounts was introduced in July 2024.

ENSURE EFFICIENT AND EFFECTIVE AUDITS, LEVERAGING TECHNOLOGY

We reported in prior years that our agreed IT strategy included the following six strategic objectives for IT for 2022 to 2024:

- Establishing and clarifying the corporate IT platform, governance and processes.
- Streamlining audit management software.
- Implementing data analytics to inform our audit risk assessments.
- Launching a new website and enhancing our social media engagement.
- Improving our audit knowledge base.

- Implementing business management software.

We made significant progress on several of these objectives in 2024.

During the year, we began looking at options to move our applications and data into the cloud. By the end of the year, we were developing our business case for this digital transformation. We expect that a roadmap for the transformation will be adopted in the first half of 2025.

During 2024, we upgraded our website. We procured the services of a website developer to design and develop a new website and provided ongoing maintenance and updates. We launched the new website in September. The new website provides better mobile device access and easier search functionality.

We piloted Clockify.com as our time reporting software in the latter part of 2024 as part of improving our business management software. All staff started using this software in January 2025.

In 2024, our IT audit team continued building in-house expertise in assessing the IT environment and applications of entities. The findings will inform our financial audits. We carried out the central assessment of the core government network and IRIS. By the end of the year, most assignments had progressed and five were completed.

As reported in our 2023 Annual Report, the OAG joined the INTOSAI Development Initiative (IDI) Leveraging on Technological Advances (LOTA) programme. The programme aims to develop a pool of auditors from 25 SAIs across the world who will leverage on technology in audits and audit the use of technology by governments. The LOTA programme has two streams:

- Audit strategy, with the end goal of preparing an IT audit strategy (to complement the existing plans for financial and performance audits).
- Technology audit, which aims to leverage IDI mentors while we complete a selected audit or technology-related support.

During 2024, our two representatives continued to develop our IT audit strategy and capability through the programme. They did this with regular mentoring from IDI experts in the two streams of IT audit strategy and technology audit. The programme concluded at the end of 2024. By the end of 2024 we had:

- Developed an IT Audit Strategic Plan for 2025-27, which we intend to finalise in the first half of 2025.
- Completed the technology audit, which focused on developing and using data analytics to support our financial audits of entities that use data from core government's accounting system (IRIS). We will build on this first-year experience to improve our delivery in the next financial audit cycle to support audits.

ADDING VALUE TO CLIENTS' BUSINESS

One of our purposes is to assist in identifying opportunities for our clients to improve their operations and effectiveness.

We reported earlier on the impact as a result of our work.

Our usual practice is to ask audit clients for feedback on our work. We do this for both financial audit and performance audit.

During 2024, we asked financial audit clients for feedback on the 2023 audits. Clients' responded positively about effective relationships, professionalism, engagement, and the usefulness of recommendations.

We also requested client feedback on one of our performance audits in 2024. Clients' responded positively, confirming that the audit was high quality, provided valuable insights and makes recommendations that will lead to improvements.

CONTRIBUTING TO THE REGIONAL AND INTERNATIONAL AUDIT COMMUNITY

As reported earlier we rolled forward our 2019–2023 strategic plan until a new Auditor General is in post. The strategic plan aims to secure our position as one of the leading small audit offices in the world. One of the ways that we do this is through actively engaging in the development of international audit practice. This allows us to assist in the capacity development of other public audit offices and improve our own approach by learning from others and developing our staff.

The Office has continued to participate in a range of regional and international work during 2024.

OUR WORK WITH CAROSAI AND IN THE CARIBBEAN REGION

The OAG is a member of the Caribbean Organisation of Supreme Audit Institutions (CAROSAI), which works to support and enhance the role of public audit offices throughout the region. The mission of CAROSAI is to *"contribute to its members becoming professional SAIs by supporting and promoting the strategic management, performance measurement and reporting in SAIs; the implementation of ISSAIs for high quality audits; and enhanced SAI Stakeholder engagement for greater audit impact."*

During the year the Auditor General participated in several CAROSAI meetings, including:

- Discussions with SAI Grenada on supporting them with their financial audit practice.
- Work with CAROSAI and SAI India on IT audit developments.
- Speaking at the INTOSAI International Development Initiative and CAROSAI workshop on the System of Audit Quality Management.

- Participating in a small working group supporting better stakeholder engagement in the Caribbean region.
- Speaking at an event organised by the International Parliamentary Union (IPU) and CAROSAI on public engagement (discussed further in the next section).

OUR WORK GLOBALLY

The OAG also contributes to the development of international public service audit practice through the International Organisation of Supreme Audit Institutions (INTOSAI) and its development arm, the IDI (INTOSAI Development Initiative). During the year, we were involved in the following initiatives:

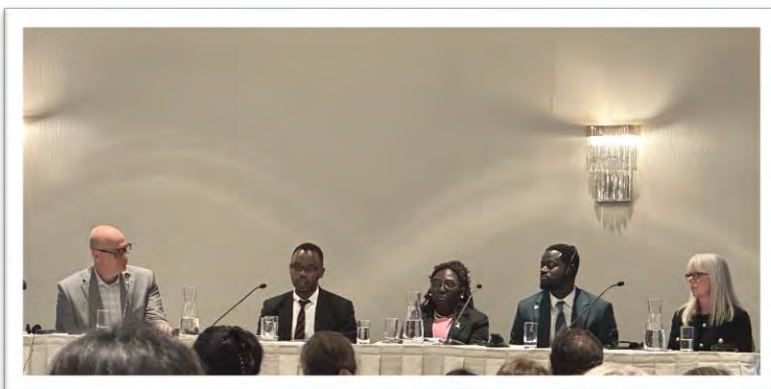
- In the first quarter of 2024, Patrick Smith, Deputy Auditor General, concluded his role as an international consultant for IDI. During his time working with IDI, Patrick participated in a range of IDI activities including as a professional education for SAI auditors (PESA) programme reviewer, and exam content development.
- OAG actively participated in two IDI global programmes; one on the Systems of Audit Quality Management (SoAQM) and the other on Leveraging on Technological Advances (LOTA). As discussed earlier.



- In January, Winston Sobers and Ruel Huet attended CCOLA Financial Audit symposium in Toronto.

- In March, the Auditor General and Julius Aurelio attended training in Jamaica as part of the IDI's global event on the requirements for developing a systems of audit quality management.
- The Auditor General participated in an INTOSAI research interview on the challenges facing small Supreme Audit Institutions particularly with regard to compliance with auditing standards.





- In April, Angela Cullen and Gabriel Ncube attended the CCOLA Performance Audit Symposium in Toronto, Canada. Angela participated in a panel discussion on international perspectives on scoping, reporting and communicating performance audits where she presented on the OAG's approach.

- In June, we provided support to OAG Bermuda by peer reviewing audit planning documents for a performance audit.
- In November, the Auditor General attended the International Parliamentary Union (IPU)/CAROSAI conference in St Lucia where she was asked to speak as a best practice case on public engagement. At the end of the conference, other Caribbean Auditors General made a presentation to the Auditor General to thank her for her contribution to CAROSAI over the years.

The OAG continued to participate in the UK Overseas Territories "Better Governance of Public Finances" programme throughout the year:

- The Auditor General continued to participate in a number of leadership group sessions for the Auditor Generals of the UK Overseas Territories. These quarterly meetings provide an opportunity for the Auditors General to discuss matters of mutual concern, such as independence threats and new accounting and auditing standards as well as sharing learning and driving the forward work programme.
- In September, Angela Cullen attended the UKOT Better Governance Forum in London, as a replacement for the Auditor General. The Forum covered a range of topics including good governance, scrutiny, financial management, effective relationships between Auditors General and Public Accounts Committees, audit developments and audit quality management.
- As part of the programme, an Audit Manager continued the mentoring programme with the UK National Audit Office to help them develop their leadership and management skills and support them in the technical aspects of their roles. In October, a further three OAG staff joined the mentoring programme and were paired with mentors from other UKOTs. Angela Cullen, Deputy Auditor General also started as a mentor in the programme.



LEADING BY EXAMPLE

Our third strategic objective is encouraging improvement through leading by example.

As the country's external auditor reporting on how scarce public resources are used, it is very important that we lead by example in our conduct.

We aim to be agile, adapt to change and lead by example as individuals and as an organisation.

Staying the same or standing still is not an option for our Office. In our fast changing and evolving environment, auditing and the role of the auditor will continue to develop and change. International trends, such as rapid changes in technology, are also changing expectations among end users of audit and assurance information. Our ability to develop, adapt and be flexible is important to ensuring that we remain relevant and that we can remain a model organization, leading by example locally, regionally and internationally.

The Office's core values are aimed at leading by example.

We have set ourselves the following three goals to achieve the strategic objective to **leading by example**:

1. Proactively demonstrating good governance.
2. Complying with international audit standards and good practice.
3. Operate to the highest ethical standards.

These goals are supported by a range of actions and success measures.

OAG Core Values

Professional – competently carrying out independent and objective work, always striving to deliver a high-quality service

Respect – treating our employees, clients and stakeholders with respect and dignity

Integrity – conducting our work ethically, in a manner that creates confidence and trust in what we do

Transparent – accountability and transparency in the operations of the

KEY ACHIEVEMENTS IN 2024

In 2024 we:

- ✓ Obtained a clean audit opinion on our 2023 financial statements, with no control points raised by the auditor.
- ✓ Proactively disclosed information on our website in relation to senior management.

- ✓ Tabled our 2023 annual report in the Parliament and published this on our website.
- ✓ Presented regular updates on our 2024 performance to the PAC and published quarterly performance reports.
- ✓ Updated relevant policies and published these on our website.
- ✓ Reviewed risks as part of our system of quality management.
- ✓ Completed annual ethics training for all staff.
- ✓ Published the final report from the IDI on five-year SAI PMF assessment, which showed improvement over the last five years.
- ✓ Contributed to the local community.
- ✓ Developed and started to implement our system of quality management.

INDEPENDENCE OF THE OAG

The independence of the OAG is fundamentally important to the effective discharge of our constitutional responsibilities. The importance of independence for public audit offices was recognized by the United Nations General Assembly in December 2011 and Commonwealth Heads of Government in November 2013.

In the past there have been challenges to our independence, in particular there have been attempts to constrain our financial and human resources. In 2017, we carried out an analysis of the Office's independence against the independence principles for supreme audit institutions, as part of the SAI PMF (Supreme Audit Institutions Performance Measurement Framework) assessment. The key challenge identified, at that time, was ensuring that the OAG is an independent entity in both substance and form. On the basis of this analysis a number of key changes to the statutory provisions relating to the establishment of the OAG were identified that should be developed, revised or strengthened.

These included the following:

- greater independence in all financial and administrative policy matters; and
- fixed tenure of office for future Auditor Generals.

These are to be achieved through the establishment of an Office of the Auditor General Act to enhance the Office's independence. This was ongoing at the year end.

PROACTIVELY DEMONSTRATING GOOD GOVERNANCE AND HIGH ETHICAL STANDARDS

We aim to set a benchmark for the public sector in the way that we govern, manage and use public resources. We must ensure that we are open, transparent and accountable, and promote the standards that we expect of others.

FINANCIAL AND PERFORMANCE MANAGEMENT AND REPORTING

The corporate management team reviews our expenditure monthly, and financial performance quarterly. The Office received an unqualified audit opinion on our 2023 financial statements, which were submitted and audited ahead of the statutory deadlines.

Our new auditors, Berman Fisher, started their five-year appointment with the audit of the 2023 financial statements.

Our annual operational plan sets out the activities needed to deliver against our five-year strategic plan. The corporate management team reviews our performance on a quarterly basis. We use this information to make decisions and set priorities.

Our annual resource plan sets out how we intend to make the best use of our people to deliver against our operational and strategic plans. In doing this, we aim to manage the peak workloads, particularly for financial audits, and ensure that we can deliver our work plans and priorities for the entire office. The resource plan also helps us make decisions about workforce planning and recruitment. We review and update this regularly at our practice management team meetings.



EFFECTIVE RISK MANAGEMENT

Risk management is a key element of the Office's management framework that meets the requirements set out in the *Public Management and Finance Act* as well as auditing standards. The OAG manages risks to the achievement of both financial and operational objectives. The corporate management team reviews the Office's risk register quarterly and ensures that there are appropriate management practices in place to mitigate the risks identified.

The Office has identified 11 risks and has categorized these risks across four broad categories: 1) strategic, 2) operational, 3) financial, and 4) employees. Our approach to managing risks includes considering the controls in place to help mitigate these risks, and the likelihood and impact of their occurrence. We actively monitor these risks and action was taken, and further actions are planned, to mitigate the risks. For 2024, all risks were effectively managed and mitigated with no instances of significant events or deviations from our operational plans. During the year, we also identified and assessed risks as part of the ongoing development of our system of audit quality management.

Evidence of how the risks are managed can be found in the Office's [risk management policy and strategy](#).

BEING OPEN, TRANSPARENT AND ACCOUNTABLE

During the year, we continued to be open and transparent in our activities through the following:

- Proactively disclosing key information about key management personnel, that is the Auditor General and Deputy Auditors General. Disclosures include notices of interest, travel expenses, hospitality and gifts received and provided, and remuneration.
- Publishing the minutes of our corporate management team meetings.
- Reporting our performance through quarterly reports and our annual report and accounts.
- Reviewing, maintaining and developing our policies, and publishing these on our website.
- Maintaining and developing our website and social media pages.

We publish this information on our website at <http://www.auditorgeneral.gov.ky/proactivedisclosure>

OPERATING TO THE HIGHEST ETHICAL STANDARDS

The ethics and independence of OAG staff are critical to the Office's success. All members of staff are required annually to confirm compliance with the Code of Conduct and to report any potential conflicts of interest. The Corporate Management Team considered these declarations in February and used them to inform the allocation of audit work. For example, if a staff member has a potential conflict with any audit clients they are not permitted to work on their audits.

The OAG senior management declarations are posted on the OAG website <http://www.auditorgeneral.gov.ky/registerofinterests>.

We provide annual ethics and anti-fraud training for all of our staff.

COMPLYING WITH INTERNATIONAL STANDARDS

Last year, we reported that we received the final report from the IDI (INTOSAI Development Initiative) on its independent assessment of the OAG against the SAI PMF (Supreme Audit Institution's Performance Measurement Framework) in November 2023. Overall, the assessment showed improvement across a range of indicators over the five years since the previous assessment. In particular, our efforts in developing the financial audit and performance audit practices have resulted in improvements. The report also identified some areas for improvement and we will use the results to inform our next strategic plan. We presented the report to the PAC in March and published it in June 2024.

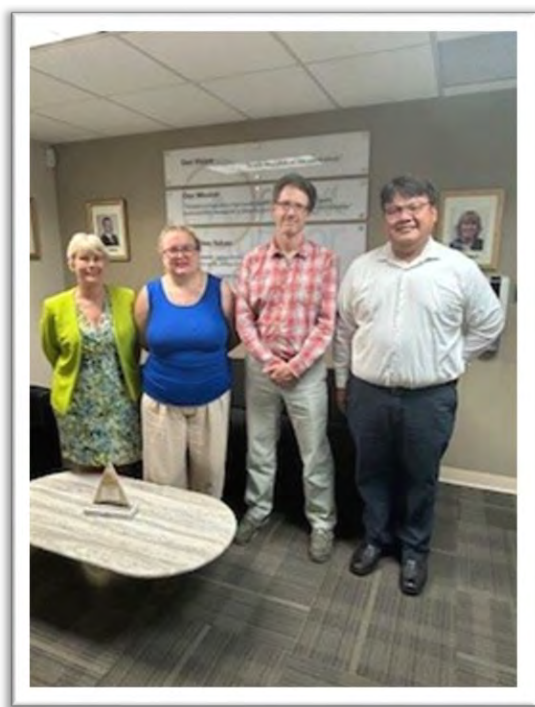
ENSURING AUDIT QUALITY

We are required to carry out our financial audit work in compliance with International Standards on Auditing (ISAs). We have also incorporated some elements of the International Standards of Supreme Audit Institutions (ISSAIs), which expand on the ISAs for application in the audit of government entities. Our performance audit practice complies with the ISSAIs for performance audit.

The Office launched our performance audit manual in 2022 and our financial audit manual in September 2023. We continued to adopt both manuals during 2024.

We last year that the OAG started to participate in the IDI's pilot programme of The System of Audit Quality Management (SoAQM) in 2023. The Auditor General and Audit Manager (Quality Assurance and Information Technology) represent the OAG on the programme. The SoAQM aims to support the OAG in setting up a System of Audit Quality Management. It requires the OAG to establish quality objectives, implement a risk-based approach to managing audit quality, establish a proactive monitoring and remediation process, and to evaluate the design, implementation and operation of the SoAQM.

As reported earlier, the Auditor General and Julius Aurelio attended an IDI training workshop in March. During this workshop they developed the OAG policy for audit quality management and an implementation plan.



During the year, we started to undertake cold reviews of recently completed audit files. In late October, two staff from the UK National Audit Office visited our office to support Patrick Smith and Julius Aurelio in carrying out cold reviews of a performance audit and some financial audit files. The combined team made good progress on the financial audit cold reviews during the one-week NAO visit. The internal team will complete them in the first half of 2025. The review assessed the performance audit as good with limited improvement needed. These will drive quality improvements in line with best practice and international standards.

CONTRIBUTING TO THE COMMUNITY

During the year, our staff continued to support and participate in a wide range of community-based activities and projects.



In March, the Auditor General attended an event at Cayman Community Farm. In November, all OAG staff donated some of the hours that they had accrued as compensatory time (or time off in lieu). These combined hours were converted into cash, resulting in a donation of \$3,100 to the Cayman Community Farm.

In October, the Office held a fund-raising event on behalf of the Breast Cancer Foundation (BCF). We raised \$1,000 for the BCF. Sue Winspear, Auditor General and Angela Cullen, Deputy Auditor General also volunteered at several BCF events during the year.



In October, the OAG participated in the Nova pickleball tournament, Paddle for a Purpose. Proceeds raised from the event are used to support the non-profit organisation Connect by Nova which supports the Cayman community.

Over the summer, the OAG and the Government Internal Audit Service entered a joint team in the 2024 Cayman Islands Government football league.





In December, several OAG staff ran in the Cayman Islands Marathon, some individually and others as part of relay teams.

DEVELOPING OUR PEOPLE

Our fourth strategic objective is continuously developing our people.

Our staff are important to us, which is reflected in our final strategic objective 'Developing our People'. We aim to be an exemplar employer, develop Caymanians in public sector audit, and provide opportunities for the continuous learning and development of our staff.

We have set ourselves the following three goals to achieve the strategic objective to **developing our people**:

1. Providing continuous learning and development.
2. Exemplar employer.
3. Developing Caymanians in public sector audit.

These goals are supported by a range of actions and success measures.

KEY ACHIEVEMENTS IN 2024

In 2024 we:

- ✓ Achieved an overall engagement index of 73 per cent in the annual staff survey.
- ✓ Updated our learning and development plan.
- ✓ Provided development opportunities through a range of training courses, workshops and webinars, including technical updates for all audit staff and report writing training for new staff.
- ✓ Provided development opportunities through an outwards secondment, and internal opportunities.
- ✓ One staff completed their IPSAS qualification.
- ✓ Successfully completed two recruitment campaigns for a Professional Audit Trainee and Audit Project Leaders.
- ✓ Welcomed three new staff to the OAG.
- ✓ Completed annual performance appraisals, using the OAG competency framework, for all staff.
- ✓ Recognised the long-service of four staff.

PROVIDING CONTINUOUS LEARNING AND DEVELOPMENT

The continuous development of our staff is important and it is essential that we have appropriately skilled and trained people to effectively deliver our mandate. This includes keeping our core financial audit skills up to date and developing our skills for performance and information technology audit. Developing our skills also helps us contribute to wider government activities.

During 2024, we completed our annual review and update of our Learning and Development plan. This plan covers 12 months but spans two financial years as it is prepared after the annual performance appraisals that are completed mid-year. Our assessment of learning and development needed and what to prioritise was based on both development needs identified by staff during their performance appraisals and at training events during the year, and development needs identified by management. The plan aims to ensure that all staff are provided with suitable training opportunities to ensure continual professional development and other opportunities to support them to learn and grow, and help us deliver on our strategic priorities.

During the year our staff participated in a number of training and development events, as part of our annual plan, including the following:

- In January, staff participated in the OAG's annual retreat, which is essential time away from the office. Our retreat focused on the upcoming 2023 financial audits.
- In January, seven staff attended online report writing training delivered by the Canadian Audit and Accountability Foundation.
- In February, all audit staff attended a training session on the requirements of the Procurement Act, delivered by the Director and Deputy Director of the Central Procurement Office.
- In February, staff attended a webinar hosted by the UK National Audit Office for UKOTs on the advanced use of Excel.
- In March, we delivered in-house training to all audit staff on the new IPSAS 41 accounting standard.
- In April, Angela Cullen and Gabriel Ncube attended the CCOLA Performance Audit symposium, which included sessions on different stages of performance audit, cybersecurity, equity, diversity and inclusion, environment and sustainable development, international perspectives and wellness.
- In May, all staff attended the OAG post-busy season debrief.
- In September, we held our annual interim audit launch. In this event we covered a range of topics including audit risks and issues, improvements in our audit approach and methodology, including the new financial audit manual, and various technical updates.
- In September, all audit staff attended the annual update on International Public Sector Accounting Standards (IPSAS) for public sector accountants and auditors, organised by CIIPA.
- In October, all of our audit staff and Corporate Services Manager attended the CIIPA Summit. The Summit focused on future ready accountants and included sessions on cybersecurity and artificial intelligence.
- In November, all of our audit staff and Corporate Services Manager attended an ethics training session hosted by CIIPA.
- An Audit Manager participated in the Leadership Cayman programme, which is delivered by the Cayman Islands Chamber of Commerce. The programme lasts for six months and enables participants to develop new skills and learn information about the Cayman Islands' community and business sector.

In the 2024 staff survey (more detail on this in the next section) we scored 71 per cent for Learning and Development.

In April 2024, Jason Lee, one of our professional audit trainees passed his final ACCA exams and was promoted to Audit Project Leader. We continued to support the other professional audit trainee with their studies and they passed two ACCA exams in 2024.

During the year, one staff completed their IPSAS qualification.

Our Corporate Services Manager, Katrina Thomas, was on secondment to the Department of Vehicle and Driver Licensing from November 2023 to August 2024. The secondment provided Katrina with the opportunity to broaden her management experience. While Katrina was on secondment her duties were reallocated among other managers. An Audit Manager operated as Finance Manager. This provided him with an understanding of the day-to-day operations of the organisation, including financial decision making, the financial reporting processes, preparing the financial statements and coordinating the audit process.

In August, we seconded one of our Audit Project Leaders to the Royal Cayman Islands Police Service (RCIPS) Financial Crimes Unit until the end of the year. This provided the staff member with the opportunity to further develop their investigative skills.

The OAG is an approved employer of the Association of Chartered Certified Accountants (ACCA), recognising the opportunities for professional development that the Office provides to team members who are ACCA qualified. Our staff performance appraisal template complies with the requirements for continued ACCA accreditation.

The Auditor General sits on the CIIPA steering committee that is responsible for planning the annual Summit as well as the CIIPA Ethics Committee and CIIPA Public Sector Committee. She is also a member of CIIPA's disciplinary panel. Julius Aurelio, Audit Manager, serves on CIIPA's training Committee.

EXEMPLAR EMPLOYER

To effectively deliver on our mandate, it is essential that the Office has a motivated, skilled and high-performing workforce that can effectively meet the challenges demanded by our diverse range of work.

We provide information on our staffing profile in **Our Resources**, later in this report.

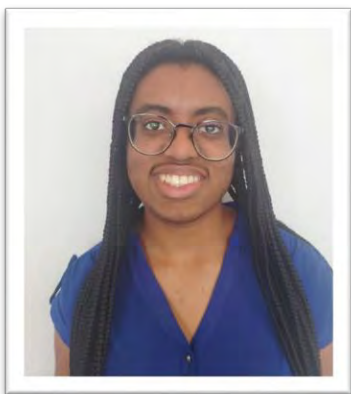
WORKFORCE PLANNING AND ACTIVITIES

We did not achieve our target of developing a workforce strategy during the year because of other work commitments. Despite this, we continued to plan our workforce needs to ensure that we had sufficient resources to deliver on our objectives.

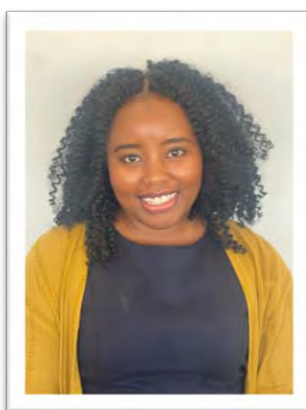
During the year, four audit staff left the OAG's employment and another had resigned and planned to leave in January 2025. We are delighted that all staff have moved on to more senior positions.

During the year, we welcomed three new staff to the Office:

- Young Caymanian, D'Andra Monteith started in September as a new Audit Trainee.
- Two new Audit Project Leaders – Mary Irungu and Zuhura Sakaya – started in October and November. Both of these staff were recruited from on island. A further Audit Project Leader was recruited and due to start in early 2025.



D'Andra Monteith, Audit Trainee, started in September 2024.



Mary Irungu, APL, started in October 2024.



Zuhura Sakaya, APL, started in November 2024.

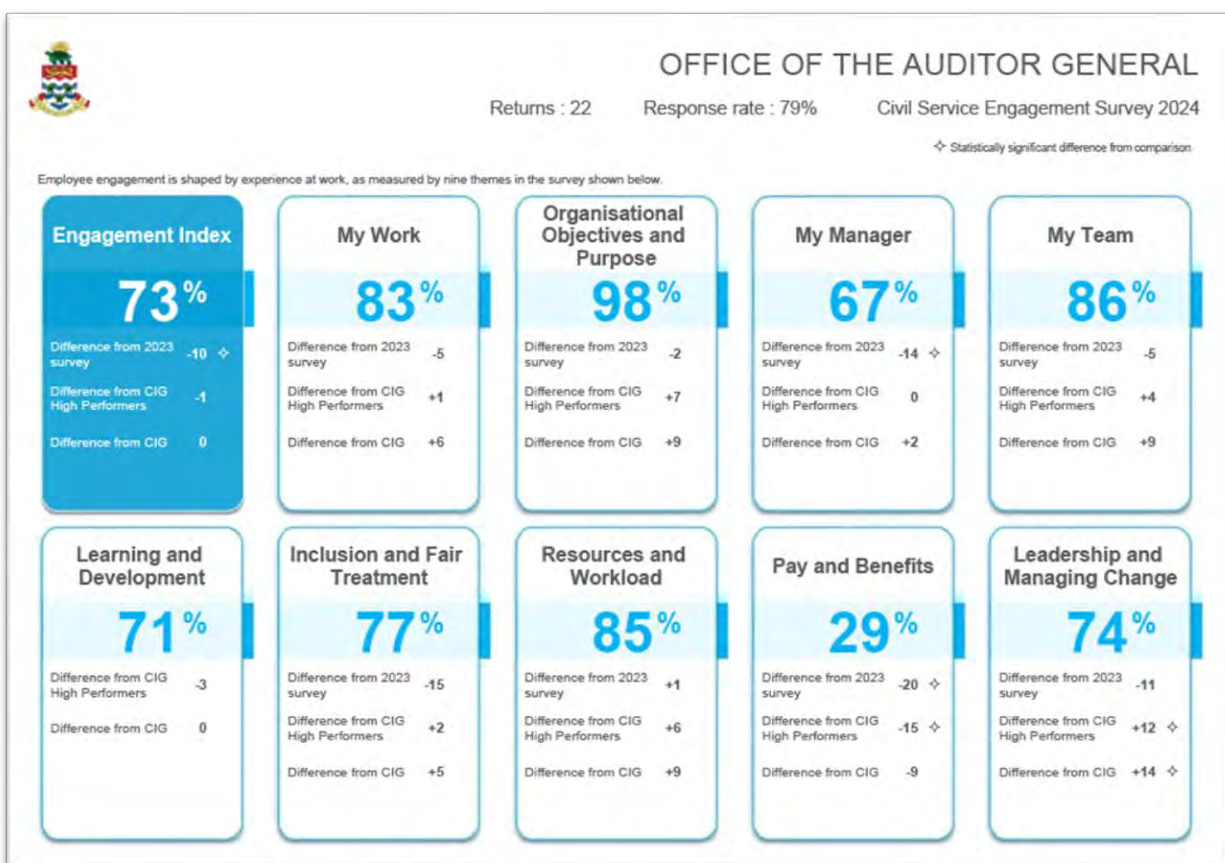
In addition to our staffing establishment, the OAG brings in additional temporary resources to help us during the peak financial audit periods. During 2024, we brought in three temporary staff to support the timely delivery of the 2023 financial audits. We seconded two staff from the UK National Audit Office for four weeks each in March and April 2024. We also engaged a private consultant, with significant public sector audit experience, to work with us for the two months. These staff supported the delivery of five audits by the statutory deadline of 30th April.



STAFF ENGAGEMENT SURVEY

As in previous years, the Office participated in the Cayman Islands Government staff engagement survey in late 2024. This allows us to measure our own staff engagement and benchmark against the rest of the civil service. Exhibit 8 provides a summary of the staff survey results.

Exhibit 8 - OAG Employment Engagement Survey 2024



In 2024, 79 per cent of our staff responded to the survey (2023: 86 per cent) and the overall employee engagement was 73 per cent (2023: 83 per cent). The OAG's employee engagement was the same as the overall staff engagement of the Cayman Islands Government.

We were disappointed to note that most engagement indicators were lower than the previous year. We plan to explore the reasons for the changes in engagement indicators and identify any actions needed to address these during 2025. The lowest score is for pay and benefits. However, the OAG has limited control over pay and benefits as the staff are on the civil service salary scale.

STAFF PERFORMANCE APPRAISALS

Staff performance is managed through our performance management process. This process sets objectives, assesses performance and helps identify areas for development or training needs for professional development. The OAG competency framework and performance appraisal align with the global competency framework for public sector auditors.

The OAG performance appraisal process includes interim appraisals in the winter, after the interim audits, and formal annual performance appraisals in the summer, after the final financial statements' audits. Managers carried out interim appraisals in January and annual appraisal in July and August.

RECOGNISING OUR STAFF

The OAG has a policy to formally recognise employees' contributions to the Office at five-year intervals. During the year, four staff celebrated work anniversaries with the OAG.

Ruel Huet celebrated his 15-year anniversary in April.



Yolanda Clarke celebrated her 10-year anniversary in August.



Winston Sobers celebrated his 15-year anniversary in October.



Gay Frye celebrated her 20-year anniversary in December.

DEVELOPING CAYMANIANS IN PUBLIC SECTOR AUDIT

The Office had 29 staff at the end of the year, of which nine are Caymanian. Of these Caymanian staff, two are corporate and administrative staff, two are senior management and five are audit staff (one manager, one Audit Project Leader, one auditor and two audit trainees).

Our aim is to have a pipeline of Caymanians to fill OAG roles as vacancies arise. To help achieve this, we recruit only Caymanians to our audit trainee posts and support them with a comprehensive training programme and their professional accountancy qualifications. Two audit trainees joined the OAG in 2022. As reported earlier, Jason Lee passed his final ACCA exams in April and was promoted to Audit Project Leader. We recruited a new Professional Audit Trainee to replace Jason during the year. We continued to support the other professional audit trainee with their studies. He passed two ACCA exams during the year.



As reported above, our Corporate Services Manager was on secondment for more than half of the year. This provided her with the opportunity to broaden her management experience.

OUR RESOURCES

This section provides a high-level summary of our use of financial, human and capital resources.

Detailed information can be found in the full audited financial statements of the OAG, which are in the next section of the report at pages 56 to 86. The audited financial statements also provide a variance analysis of actual financial performance to budget. Performance against our output agreements are in Appendix 3.

OAG FINANCIAL PERFORMANCE 2024

The OAG is trading entity, which means we generate revenues from the services that we provide. These revenues are expected to cover our operating costs.

FINANCIAL PERFORMANCE

Overall, the OAG made a surplus of \$199,000 in 2024.

In 2024, the OAG generated total revenues of \$4,248,000 (Exhibit 9). The OAG has the following two sources of revenue:

- **Audit services to PAC.** These revenues are charged to the PAC for performance audits, public interest reports, reports following up on previous recommendations, the annual general report on financial audits, and support to the PAC. The Auditor General’s entire salary costs are recharged to the PAC.
- **Audit services to other government agencies.** These revenues are charged to audited entities for the annual audit of financial statements. We charge an annual audit fee to each of the ministries, portfolios, offices, SAGCs and for the EPS financial statements.

Exhibit 9 - OAG revenues in 2024



Exhibit 9 shows that the majority of our revenue in 2024 was from fees for the annual financial audits (\$3,147,000; 74 per cent). This revenue recovered all of the costs associated with delivering financial

audits in 2024, including backlogged audits. The remaining 26 per cent of revenue was paid by the PAC for reports tabled in the Parliament (\$1,101,000).

During 2024, the OAG incurred total expenditure of \$4,049,000 (Exhibit 10).

Exhibit 10 – OAG expenses in 2024



Exhibit 10 shows that the majority of this expenditure relates to personnel costs (\$3,621,000; 89 per cent). The remainder was on operating expenses (\$409,000; 10 per cent), and depreciation (\$19,000; 1 per cent).

For transparency purposes, we provide further detail on some elements of our operating expenses below.

SENIOR MANAGEMENT REMUNERATION

The remuneration and benefits of the OAG senior management during 2024 and 2023 are disclosed below in bands of CI\$5,000.

	2023		2024	
	Remuneration \$000	Benefits \$000	Remuneration \$000	Benefits \$000
Auditor General	190-195	55-60	205-210	55-60
Deputy Auditor General (Corporate and Audit Quality) *	125-130	25-30	120-125	20-25
Deputy Auditor General (Performance Audit)	135-140	25-30	140-145	30-35
Deputy Auditor General (Financial Audit)	150-155	20-25	150-155	20-25

**Note that the Deputy Auditor General's (DAG) role changed. During 2023 and until 30 April 2024 the post was DAG (Corporate & International). From 1 May 2024 the role changed to DAG (Corporate and Audit Quality). The DAG (Corporate and Audit Quality) works part-time and is on phased retirement. Therefore, no pension contributions are made.*

Remuneration includes salary, allowances and any additional remuneration for the pay out of annual leave and compensatory time paid during the financial year. Allowances paid during the year were honorarium, motor car upkeep and mobile phone allowances. Benefits include pension and health care insurance.

PROFESSIONAL SERVICES AND SERVICE CONTRACTS

During the year we spent \$138,104 on professional services and other service contracts. Details on items of expenditure above \$1,000 is included below.

Vendor	Service	Fees & related costs (\$)
Professional services:		
Alan Banks	Financial statements audit support - consultant	23,374
UK National Audit Office	Financial statements audit support - secondments	15,653
Various vendors, including: <ul style="list-style-type: none"> • Private landlords (2) • Bennett's car care • British Airways 	Costs for consultant and UK National Audit Office secondees (including three separate vendors for travel, accommodation and rental car)	32,231
Berman Fisher	OAG Financial Statement Auditor	20,800
Scott Carr Web Design	OAG website design, development, hosting and maintenance	16,925
Prepress Projects Ltd	Report editing	5,589
Studio Two Sixteen	Graphic design for reports	2,525
Dianna Little	Graphic design for reports	1,243
Savannah Law	Legal fees	600
Other service contracts:		
Reliable	Janitorial services	11,415
Kirk Office	Maintenance of office equipment	4,301
Security Centre	Security Services	1,155

The new OAG auditor, Berman Fisher, completed the OAG's financial statements audit for 2023 in 2024. The entire fee for the 2024 audit is included above.

As reported earlier, the OAG seconded two staff from the UK National Audit Office for four weeks each in March and April and procured an external consultant for the same two months to support the peak period for the 2023 financial statements audits. The OAG paid a total of \$71,258 for these services, including payment for services, transport, accommodation and other on-island costs.

TRAVEL AND SUBSISTENCE

The Office undertakes travel to conduct audit work, enhance competencies and skills of staff, and support the development of public sector auditing across the Caribbean region and internationally.

The table below sets out the taken we have taken over the past two financial years.

OAG travel	
2023	2024
Travel and Subsistence costs paid by OAG – \$13k	Travel and Subsistence costs paid by OAG – \$17k
Cayman Brac – Inventory counts for 2023	Cayman Brac – Inventory counts for 2024
Brasil, Brasilia – INTOSAI IDI LOTA workshop.	Jamaica, Kingston – Attendance at INTOSAI IDI SOAQM workshop.
Canada, Toronto – Attendance at CCOLA Performance Audit Symposium.	Canada, Toronto – Attendance at CCOLA Financial Audit and Performance Audit Symposiums.
Norway, Oslo – INTOSAI IDI Strategic Planning, Management and Reporting programme workshop (All costs covered by IDI).	St Lucia – Attendance at the International Parliamentary Union conference.
USA, Florida – Attendance at SHRM conference.	USA, Chicago – Attendance at SHRM conference.
USA, New York – Audit of CIG overseas office.	
United Kingdom, London – UKOT Better Governance Forum (the majority of costs covered by the UK Government).	United Kingdom, London – UKOT Better Governance Forum (the majority of costs covered by the UK Government).

FINANCIAL POSITION

The OAG's financial position at the end of December 2024 was total net assets of \$688,000.

We ended the year with total assets of \$3,030,000 of which \$2,981,000 was current assets.

Our total liabilities at the yearend were \$2,342,000. The majority of this relates to surplus payable of \$1,953,000. We did not repay any surplus in 2024. In previous years, the Office made operational changes to deal with an increase in audit engagements. The increase in audit engagements resulted in increased costs. The Office retained accumulated surpluses to cover the increased costs.

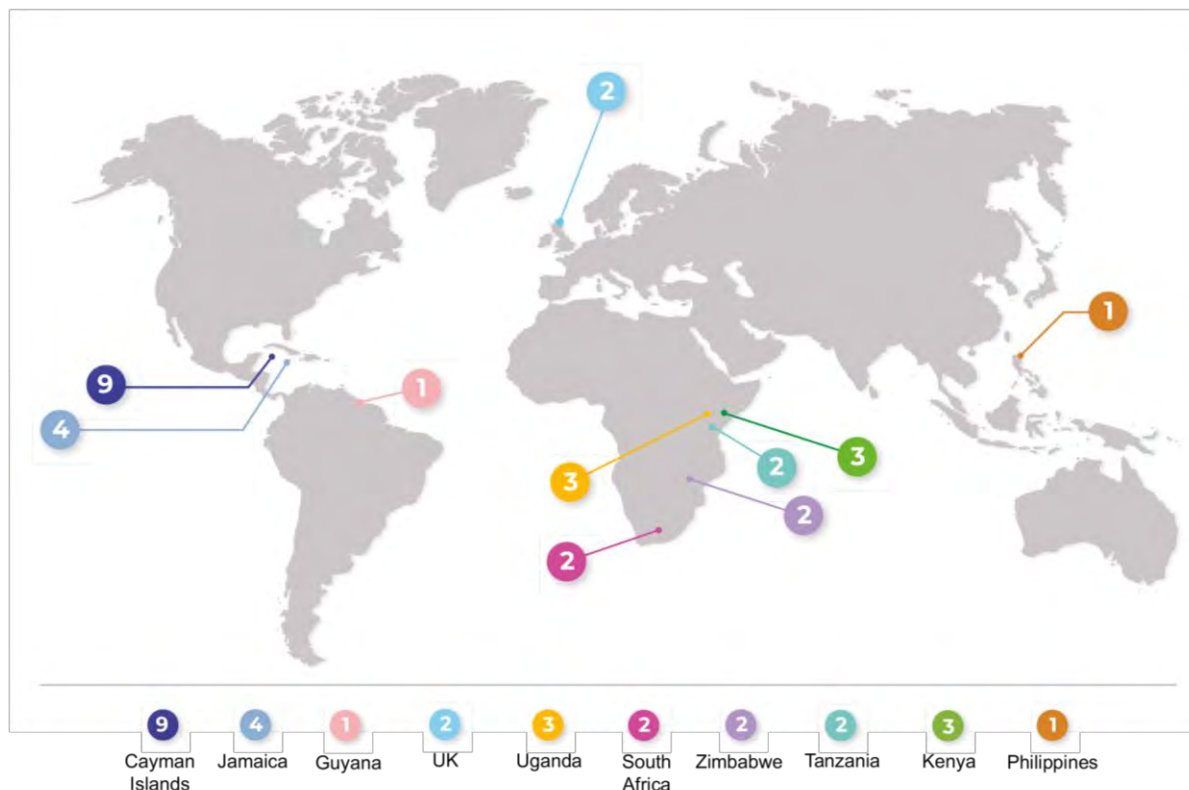
Financial Performance ratios	Actual	Original/Final Budget	Variance
Current Assets: Current Liabilities (Working Capital)	1.27	1.61	(0.34)
Total Assets: Total Liabilities	1.29	1.75	(0.46)

These ratios indicate that we were able to meet our current obligations as at 31 December 2024. The key contributor to the variance between the budgeted and actual ratio is the actual amount of surplus payable, which was significantly more than the amount budgeted.

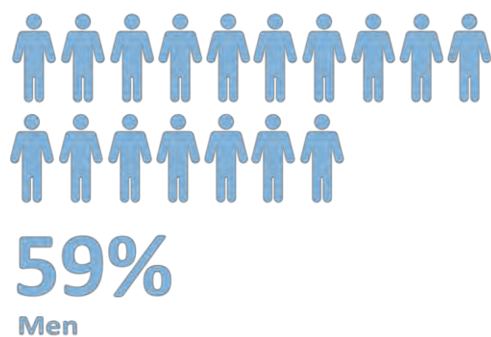
OAG STAFFING

As at 31 December 2024, the OAG had 29 staff (budgeted staffing establishment was 29 FTE) (2023: 28).

The OAG has a diverse workforce with staff from 10 different countries, including nine (31 per cent) Caymanians (2023: six; 21 per cent).






The gender balance of OAG staff has changed again over the last year. At the end of 2024, of the 29 staff, 17 were men and 12 women. (2023: 19 men, 9 women). Within senior management two were women and two men.



STAFFING CHANGES DURING THE YEAR

In 2024, the OAG confirmed the management structure that was put in place in September 2022. In May 2024, Patrick Smith's changed role from Deputy Auditor General (Corporate and International) to Deputy Auditor General (Corporate and Audit Quality).

Other staffing changes during the year include the following:

	Three new audit staff started during the year. (In 2023, six audit staff joined the Office.)
	Four audit staff left the Office. (In 2023, one audit staff left the Office.)
	<p>Two OAG staff were on secondment during the year. (In 2023, one employee was on secondment).</p> <p>The Corporate Services Manager was secondment to the Department of Vehicle and Drivers Licenses from November 2023 until August 2024. During her secondment, we allocated the finance manager role to other staff to provide them with valuable experience and development. Other duties, including HR and office management responsibilities, were allocated among corporate management team.</p> <p>An Audit Project Leader was on secondment the Royal Cayman Islands Police Service (RCIPS) Financial Crimes Unit from August until the end of the year.</p>

AVERAGE LENGTH OF SERVICE

At the end of December, the average length of service of all OAG staff (number of years employed) was 6.9 years. By type of staff this was:

Senior management	13.7 years (4 staff)
Professional and technical (audit)	5.3 years (23 staff)
Corporate and administrative	11.5 years (2 staff)

The average length of service of our audit staff increased reduced since the previous year (2023: 6.5 years). However, two staff left employment on 31 December 2024 and another planned to leave in early 2025.

SICK LEAVE ANALYSIS

During 2024, our sickness absence rate was 2.6 percent. This is lower than previous years. It includes long-term sickness absence for the Auditor General and one other member of staff. Overall, OAG staff took 160 sick days in 2024; an average of 5.73 days per person.

	2020	2021	2022	2023	2024
Number of days	75	138	138	255	160
Full Time Equivalent (FTE) staff *	19.75	21.02	21.08	26.53	27.97
Average sick days/FTE	3.78	6.55	6.57	9.63	5.73
Sickness absence rate **	1.67%	2.98%	2.90%	4.29%	2.58%

* Full-Time-Equivalents – includes staff who have resigned during the year and new starts, pro-rated for the periods they were in post.

** Sickness absence rate = total sick days taken / total number of working days available for period (less entitled annual leave days and public holidays)

Under the Personnel Regulations, employees are allowed up to 10 working days paid sick leave a year and can be granted extended sick leave in the event of serious illness or injury to the employee, up to a maximum of 125 working days sick leave on full pay and a further 135 working days on half pay. Based on past experience, the Office's expected range for sick leave during any given year per employee is six to seven days.

For the year ending 31 December 2024, staff took 160 days off sick resulting in a sickness absence rate of 2.6 per cent. Within the total sickness days is 51 days of long-term sickness absence. As reported previous this includes the long-term sickness of the Auditor General.

Excluding the long-term sickness absences reduces the average sick days per full-time equivalent to 3.92 days and the sickness absence rate to 1.78 per cent. These figures are lower than the Office's sickness absence over the past few years.

Most employees recorded some sick leave during 2024. Of the 29 staff in post at the end of December, four staff had no sick days, 17 recorded up to five sick days, three staff had 6–10 days sick leave. Five staff had more than 10 days sick leave, two of these were periods of extended sick leave.

FINANCIAL STATEMENTS



Financial Statements

31 December 2024

Office of the Auditor General Cayman Islands

Statement of Responsibility for Financial Statements

These financial statements have been prepared by the Office of the Auditor General in accordance with the provisions of the *Public Management and Finance Act (2020 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Act (2020 Revision)*.

As Chief Officer and Chief Financial Officer, we are jointly responsible for the preparation of the Office of the Auditor General's financial statements and for the judgements made in them.

As Chief Officer and Chief Financial Officer, we are responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by the Act, and properly record the financial transactions of the Office of the Auditor General.

The financial statements fairly present the financial position, financial performance, changes in net assets/equity and cash flows of the Office of the Auditor General for the year ended 31 December 2024.

To the best of our knowledge we represent that these financial statements:

- a) completely and reliably reflect the financial transactions of the Office of the Auditor General for the year ended 31 December 2024;
- b) fairly reflect the financial position as at 31 December 2024 and the performance for the year ended 31 December 2024;
- c) comply with International Public Sector Accounting Standards as set out by International Public Sector Accounting Standards Board under the responsibility of the International Federation of Accountants.

HLB Berman Fisher conducts an independent audit and expresses an opinion on these financial statements. HLB Berman Fisher has been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.



Patrick O. Smith, CFE, CPA

Acting Chief Officer



Katrina Thomas

Corporate Services Manager

DATE: 16 April 2025

DATE: 16 April 2025

**INDEPENDENT AUDITORS' REPORT
TO THE PRESIDING OFFICER OF THE PARLIAMENT OF THE CAYMAN ISLANDS**

We have audited the accompanying financial statements of the Office of the Auditor General (the “Office”), which comprise the statement of financial position as at 31 December 2024, and the statement of financial performance, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Office as at 31 December 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (“IPSAS”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Office in accordance with the Cayman Islands Institute of Professional Accountants’ Code of Ethics for Professional Accountants (“CIIPA Code”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) both the ethical requirements that are relevant to our audit of the financial statements in the Cayman Islands, and we have fulfilled our ethical responsibilities in accordance with both the CIIPA Code and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IPSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Office’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Office or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Office’s financial reporting process.

128 Elgin Avenue | Sussex House | Grand Cayman | P.O. Box 30561 | Cayman Islands | KY1-1203

TEL: +1 (345) 326 3016

EMAIL: accounts@bermanfisher.com

HLB Berman Fisher is a member of HLB International, the global advisory and accounting network

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE PRESIDING OFFICER OF THE PARLIAMENT OF THE CAYMAN ISLANDS

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Office to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report, including the opinion, has been prepared for and only for the Presiding Officer of the Parliament of the Cayman Islands, as a body, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

A handwritten signature in grey ink that reads 'HLB Berman Fisher'.

HLB Berman Fisher
16 April 2025
Grand Cayman, Cayman Islands

Office of the Auditor General Cayman Islands
Statement of Financial Position
As at 31 December 2024
(In Cayman Islands Dollars)

2023 Actual \$000		Note	2024 Actual \$000	2024 Original Budget \$000	2024 Final Budget \$000	2024 Variance from Original Budget \$000
	Current assets					
1,008	Cash and cash equivalents	1	1,625	1,209	1,209	416
1,680	Accounts receivable	2	1,332	1,270	1,270	62
5	Other receivables		10	-	-	10
21	Prepayments		14	-	-	14
2,714	Total current assets		2,981	2,479	2,479	502
	Non-current assets					
-	Accounts receivable	2	-	26	26	(26)
66	Property, plant and equipment	3	49	200	200	(151)
66	Total non-current assets		49	226	226	(177)
2,780	Total assets		3,030	2,705	2,705	325
	Current liabilities					
54	Accounts payable and accruals	4	91	57	57	34
292	Employee entitlements	5	298	196	196	102
1,746	Surplus payable	6	1,953	1,332	1,332	621
2,092	Total current liabilities		2,342	1,585	1,585	757
2,092	Total liabilities		2,342	1,585	1,585	757
688	Net assets		688	1,120	1,120	(432)
	Net assets/equity					
688	Contributed capital*	7	688	688	688	-
-	Accumulated surpluses/(deficits)*		-	432	432	(432)
688	Total net assets/equity		688	1,120	1,120	(432)

*See Statement of Changes in Net Assets/Equity on page 62.

The accounting policies and notes on pages 64 to 86 form part of these financial statements.

Office of the Auditor General Cayman Islands
Statement of Financial Performance
For the year ended 31 December 2024
(in Cayman Islands Dollars)

2023 Actual			2024 Actual	2024 Original Budget	2024 Final Budget	2024 Variance from Original Budget
\$000		Note	\$000	\$000	\$000	\$000
Revenue						
960	Audit services provided to Public Accounts Committee	8	1,101	1,193	977	(92)
3,254	Audit services provided to other government agencies	8	3,147	3,560	3,147	(413)
4,214	Total revenue		4,248	4,753	4,124	(505)
Expenses						
3,372	Personnel costs	9	3,621	3,852	3,621	(231)
379	Operating expenses	10	409	806	409	(397)
17	Depreciation	3	19	20	19	(1)
3,768	Total expenses		4,049	4,678	4,049	(629)
446	Net surplus for the year		199	75	75	124

The accounting policies and notes on pages 64 to 86 form part of these financial statements.

Office of the Auditor General Cayman Islands

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2024

(in Cayman Islands Dollars)

2023 Actual			2024 Contributed Capital (Note 7)	2024 Accumulated Surpluses / (Deficits)	2024 Total Net Assets / Equity	2024 Total Net Assets/Equity Original/Final Budget	2024 Total Net Assets/Equity Variance From Original Budget
\$000	Note		\$000	\$000	\$000	\$000	\$000
688		Opening Balance	688	-	688	1,120	(432)
-		Prior period adjustment	-	7	7	-	7
446		Net surplus for the year	-	199	199	75	124
(446)	6, 7	Repayment of net surplus	-	(206)	(206)	(75)	(131)
688		Closing balance	688	-	688	1,120	(432)

The accounting policies and notes on pages 64 to 86 form part of these financial statements.

Office of the Auditor General Cayman Islands
Statement of Cash Flows
For the year ended 31 December 2024
(in Cayman Islands Dollars)

2023 Actual			2024 Actual	2024 Original/Final Budget	2024 Variance from Original Budget \$000
\$000	Note		\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts:					
892		Audit services provided to Public Accounts Committee	1,331	1,170	161
2,767		Audit service provided to other government agencies	3,266	3,550	(284)
Payments:					
(3,277)		Personnel costs	(3,563)	(3,825)	262
(373)		Operating expenses	(415)	(806)	391
9	13	Net cash flows generated from operating activities	619	89	530
CASH FLOWS FROM INVESTING ACTIVITIES					
(33)	3	Purchase of non-current assets	(2)	(105)	103
(33)		Net cash flows used in investing activities	(2)	(105)	103
(24)		Net increase/(decrease) in cash and cash equivalents	617	(16)	633
1,032		Cash and cash equivalents at beginning of year	1,008	1,225	(217)
1,008	1	Cash and cash equivalents at end of year	1,625	1,209	416

The accounting policies and notes on pages 64 to 86 form part of these financial statements.

Office of the Auditor General Cayman Islands

Notes to the Financial Statements

For the year ended 31 December 2024

(In Cayman Islands Dollars)

BACKGROUND INFORMATION

The Office of the Auditor General Cayman Islands (the “Office” or “OAG”) is established under the Cayman Islands Constitution Order 2009 Section 114 as an independent public office. Its mandate and responsibilities are prescribed in sections 58 to 69 of the *Public Management and Finance Act (2020 Revision)* (“PMFA”). Revenue is derived from audit services provided to the Cayman Islands Government (the “Government”). The Office is dependent on this source of income to continue its operations. Some of the audit services are undertaken by private sector auditors appointed by the Auditor General.

The Office is located on the third floor, Anderson Square, Shedden Road, George Town, Grand Cayman. As at 31 December 2024, the Office employed 28 staff (31 December 2023: 28).

GENERAL ACCOUNTING POLICIES

BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (“IPSAS”) issued by the International Federation of Accountants and its International Public Sector Accounting Standards Board using the accrual basis of accounting.

New and revised accounting standards issued that are not yet effective for the financial year beginning 1 January 2024 have not been early adopted by OAG. The Office’s assessment of the impact of these new standards is set out below.

IPSAS 43, Leases was issued in January 2022 and is effective for the financial periods beginning 1 January 2025, with earlier application permitted for entities that apply *IPSAS 41, Financial Instruments*. Upon adoption of this standard, the Office expects to recognise a right-of-use asset and lease liability for covered lease contracts.

IPSAS 44, Non-Current Assets Held for Sale and Discontinued Operations (effective for periods beginning on or after 1 January 2025,) specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It is anticipated that IPSAS44 will not have a significant impact on the Office’s financial statements. This will be assessed fully in the next financial year.

Office of the Auditor General Cayman Islands

Notes to the Financial Statements

For the year ended 31 December 2024

(in Cayman Islands Dollars)

GENERAL ACCOUNTING POLICIES (CONTINUED)

BASIS OF PREPARATION (CONTINUED)

IPSAS 45, Property, Plant, and Equipment (effective for periods beginning on or after 1 January 2025) replaces *IPSAS 17, Property, Plant, and Equipment*. It adds current operational value as a measurement basis in the updated current value model for assets within its scope, identifies the characteristics of heritage and infrastructure assets, and adds new guidance on how these important types of public sector assets should be recognised and measured. This will be assessed fully in the next financial year.

IPSAS 46, Measurement (effective for periods beginning on or after 1 January 2025) provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. This will be assessed fully in the next financial year.

IPSAS 47, Revenue (effective for periods beginning on or after January 1, 2026) replaces *IPSAS 9, Revenue from Exchange Transactions*, *IPSAS 11, Construction Contracts*, and *IPSAS 23, Revenue from Non-Exchange Transactions*. *IPSAS 47* is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. It is anticipated that *IPSAS 11* will not have a significant impact on the Office's financial statements. This will be assessed fully closer to the effective date of adoption.

IPSAS 48, Transfer Expenses (effective for periods beginning on or after 1 January 2026) provides accounting requirements for transfer expenses, and presents two accounting models based on the existence of a binding arrangement. This will be assessed fully closer to the effective date of adoption.

IPSAS 49 Retirement Benefit Plans (effective for periods beginning on or after 1 January 2026) establishes comprehensive accounting and reporting requirements for benefit plans of public sector employees. This will be assessed fully closer to the effective date of adoption.

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. *IPSAS 50* and the amendments to *IPSAS 12* are not applicable to the OAG.

These financial statements have been prepared on a going concern basis and the accounting policies set out below have been applied consistently to all periods presented. The financial statements are presented in Cayman Islands dollars using the historical cost basis of accounting.

Office of the Auditor General Cayman Islands

Notes to the Financial Statements

For the year ended 31 December 2024

(In Cayman Islands Dollars)

GENERAL ACCOUNTING POLICIES (CONTINUED)

REPORTING PERIOD

The reporting period is for the 12 months ended 31 December 2024.

BUDGET AMOUNTS

The 2024 original budget amounts were prepared using the accrual basis of accounting and the accounting policies have been consistently applied with the actual financial statements presentation. The 2024 and 2025 original budgets were presented in the 2024 and 2025 Budget Statements of the Government of the Cayman Islands and approved by the Parliament on 23 December 2023.

JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with IPSAS requires judgements, estimates, and assumptions affecting the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period that is affected by those revisions. As at 31 December 2024, no reliable fair value estimate of contributed goods and services provided to the Office by government entities could be made and therefore no estimated amounts are recorded in these financial statements.

SPECIFIC ACCOUNTING POLICIES

ASSETS

Cash and Cash Equivalents

Cash and cash equivalents include cash held in bank accounts in the name of the Office of the Auditor General maintained with the Royal Bank of Canada in the Cayman Islands.

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(in Cayman Islands Dollars)

SPECIFIC ACCOUNTING POLICIES (CONTINUED)

ASSETS (CONTINUED)

Accounts Receivable

Accounts receivable are amounts due from customers for services performed in the ordinary course of business. Accounts receivable comprise balances due from other Government entities for audit services provided, including services to the Public Accounts Committee (PAC).

Property, Plant and Equipment

Property, plant and equipment are carried at historical cost (which includes direct acquisition costs) less accumulated depreciation and are depreciated on the straight-line basis at the following rates and estimated useful lives:

- Furniture and Fittings 11.11% (9 years) to 6.66% (15 years)
- Computer Equipment 33.33% (3 years)
- Office Equipment 33.33% (3 years) to 10% (10 years)
- Leasehold Improvements Over the term of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the period end. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

LIABILITIES

Accounts Payable

Accounts payable are recognised initially at fair value and subsequently measured at amortised cost.

Employee Benefits

a) Annual Leave Entitlement

Annual leave due, but not taken, is recognised as a current liability at the current rates of pay.

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(In Cayman Islands Dollars)

SPECIFIC ACCOUNTING POLICIES (CONTINUED)

LIABILITIES (CONTINUED)

b) Pension Obligations

Pension contributions for employees of the Office are paid to the Public Service Pensions Fund (the “Fund”). The Fund is administered by the Public Service Pensions Board and is operated as a multi-employer non-contributory fund, whereby the employer pays both employer and employee contributions. Pension contributions are included in personnel costs in the statement of financial performance. During the years ended 31 December 2024 and 2023, all eligible employees of the Office belonged to the defined contribution plan. There were no employees during the year ended 31 December 2024 who reached retirement age and therefore was no longer eligible to participate in the defined contribution plan. One employee is currently on phased retirement and did not make pension contributions for the current year.

Surplus Payable

Pursuant to the *Public Management and Finance Act (2020 Revision)* (PMFA) section 39 (3)(f) the Office may “retain such part of its net operating surplus as is determined by the Minister of Finance”. Under section 67 of the PMFA every reference to a minister is to be interpreted as a reference to PAC. When surpluses arise, these are booked as a payable to the Cayman Islands Government unless the PAC directs that the surplus can be retained.

CONTRIBUTED CAPITAL

Contributed capital relates to initial working capital and start up cash provided to the Office, equity injections for fixed asset acquisitions that are funded by the Cayman Islands Government and contributed goods and services provided by Cayman Islands Government entities to the Office.

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(in Cayman Islands Dollars)

SPECIFIC ACCOUNTING POLICIES (CONTINUED)

REVENUE

Audit Services Revenue

The Office derives its revenue from the PAC and other government entities for audit services provided according to the provisions in the PMFA section 68(1). These services are defined in the PMFA, which includes: financial statement audit work; performance audits and investigations undertaken on the initiative of the Auditor General or at the request of the Parliament or any of its committees or subcommittees; and advice and assistance provided to the Parliament or to any of its committees or subcommittees. Audit services revenue is recognised in the accounting period in which it is earned, based on time incurred to date that is recoverable.

EXPENSES

General

Expenses are recognised when incurred on the accrual basis of accounting. In addition, an expense is recognised for the consumption of the estimated fair value of contributed goods and services received, when an estimate can realistically be made.

Depreciation

Depreciation of non-current assets is provided on a straight-line basis at rates based on the expected useful lives of those assets.

Operating Leases

Leases are classified as operating leases when a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under the operating leases are recognised as an expense on a straight-line basis over the lease term.

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(In Cayman Islands Dollars)

SPECIFIC ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Office's statement of financial position when the Office becomes a party to the contractual provisions of the instrument.

Initial Recognition

Financial assets and liabilities are initially measured at fair value. On initial recognition, transaction costs directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate.

Subsequent measurement and classification

IPSAS 41 requires financial assets to be subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost, or fair value through other comprehensive revenue and expense (FVTOCRE). Additionally, IPSAS 41 requires financial liabilities to be measured at either amortised cost or FVTSD.

This classification is based on the business model for managing financial instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding. The Office assessed the business model for holding financial assets at the date of initial application. It determined that all of these are held to collect contractual cash flows that are solely payments of principal and interest. Therefore, financial assets are subsequently measured at amortised cost. Financial liabilities are subsequently measured at amortised cost.

Cash and cash equivalents, trade receivables and payables are recorded at amortised cost using the effective interest method less any impairment.

Derecognition

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Office has transferred substantially all risks and rewards of ownership. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expires.

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(in Cayman Islands Dollars)

NOTE 1: CASH AND CASH EQUIVALENTS

Cash and cash equivalents include a non-interest-bearing operating and payroll account held in the name of the Office of the Auditor General at the Royal Bank of Canada in the Cayman Islands. Although cash and cash equivalents on 31 December 2024 are subject to the expected credit loss requirements of IPSAS 41, no allowance has been recognised as the estimated allowance is negligible due to the high credit quality of the counterparty bank. The balances at 31 December were:

		2024	
2023		Original/Final	Actual vs.
Actual		Budget	Original Budget
\$000		\$000	\$000
1,008	Bank accounts	1,209	416
1,008	Total cash and cash equivalents	1,209	416

Explanation of major variances against the original budget and prior year actual:

Cash and cash equivalents are higher than the budget by \$416k. This is mainly as a result of the Office retaining more surplus earned in the prior year than was presented in the budget. Other factors are noted in the statement of cash flows and Note 13 reconciliation of net surplus to cash flows generated from operating activities.

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(In Cayman Islands Dollars)

NOTE 2: ACCOUNTS RECEIVABLE

2023		2024	2024	2024
Actual		Actual	Original/Final	Actual vs.
\$000		\$000	Budget	Original Budget
329	Audit services to PAC	99	165	(66)
1,351	Audit services to other government entities	1,233	1,131	102
1,680	Total gross accounts receivable	1,332	1,296	36
-	Less: allowance for credit losses	-	-	-
1,680	Total net accounts receivable	1,332	1,296	36

Aging Analysis of Accounts Receivable and Work in Progress

2023	Accounts Receivable and Work in Progress	2024	2024	2024
Actual		Actual	Original/Final	Actual vs.
\$000		\$000	Budget	Original Budget
1,353	Current	1,258	1,238	20
63	Past Due 1-30 days	64	-	64
119	Past Due 31-60 days	-	-	-
1	Past Due 61-90 days	1	-	1
144	Past Due 91-180 days	9	32	(23)
-	Past Due 181-360 days	-	26	(26)
1,680	Total	1,332	1,296	36

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(in Cayman Islands Dollars)

NOTE 2: ACCOUNTS RECEIVABLE (CONTINUED)

Accounts receivable comprise balances due from other Government related entities. The simplified approach to providing for expected credit losses, as prescribed by IPSAS 41, is applied to trade and other receivables. The simplified approach involves making a provision at an amount equal to lifetime expected credit losses.

The Office performed an individual/specific expected credit loss assessment on any related party debtors with qualitative or quantitative factors indicating doubts around collectability. Given the low risk of default held by the Office, the impact of the expected credit losses on these have been estimated to be negligible. These have a low risk of default due to the Cayman Islands Government's high credit rating and absence of historical losses on amounts due.

The Office believes that the amounts outstanding on related party receivables are recoverable.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

There was no movement in the allowance for credit losses during the years ended 31 December 2024 and 2023.

Explanation of major variances against the original budget and prior year actual:

Accounts receivable for audit services provided to PAC

The decrease in accounts receivable when compared to budget and to the prior year is due to timelier requests for funding of services that were provided to the PAC during the year ended 31 December 2024. Additionally, some performance audit work did not progress as planned in 2024, see Note 8.

Accounts receivable for audit services provided to other government entities

The increase in accounts receivable compared to the budget stems from higher actual billings in the last quarter than anticipated. This rise is attributed to greater participation from audit clients in this year's interim audit.

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(In Cayman Islands Dollars)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

	Furniture and Fittings \$000	Office Equipment \$000	Computer Equipment \$000	Leasehold Improvements \$000	Total \$000	Original/Final Budget \$000	Actual vs. Original Budget \$000
<u>Cost</u>							
At 1 January 2024	128	51	46	14	239	247	(8)
Additions	-	2	-	-	2	105	(103)
Disposals	-	(2)	-	-	(2)	-	(2)
At 31 December 2024	128	51	46	14	239	352	(113)
<u>Accumulated Depreciation</u>							
At 1 January 2024	71	42	46	14	173	132	41
Accumulated depreciation on disposals	-	(2)	-	-	(2)	-	(2)
Depreciation charge for the year	15	4	-	-	19	20	(1)
At 31 December 2024	86	44	46	14	190	152	38
Net book value at 31 December 2024	42	7	-	-	49	200	(151)

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(in Cayman Islands Dollars)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Furniture and Fittings \$000	Office Equipment \$000	Computer Equipment \$000	Leasehold Improvements \$000	Total \$000	Original/Final Budget \$000	Actual vs. Original Budget \$000
<u>Cost</u>							
At 1 January 2023	98	50	46	14	208	208	(15)
Additions	32	1	-	-	33	39	9
Disposals	(2)	-	-	-	(2)	-	(2)
At 31 December 2023	128	51	46	14	239	247	(8)
<u>Accumulated Depreciation</u>							
At 1 January 2023	58	40	45	14	157	112	45
Accumulated depreciation on disposals	(1)	-	-	-	(1)	-	(1)
Depreciation charge for the year	14	2	1	-	17	20	(3)
At 31 December 2023	71	42	46	14	173	132	41
Net book value at 31 December 2023	57	9	-	-	66	115	(49)

Explanation of major variances against the original budget:

During the year ended 31 December 2024, the actual additions to property, plant and equipment was \$103k below budget mainly due to the planned office space fit-out being deferred until 2025.

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(In Cayman Islands Dollars)

NOTE 4: ACCOUNTS PAYABLE AND ACCRUALS

2023		2024	2024	2024
Actual		Actual	Original/Final	Actual vs.
			Budget	Original
\$000		\$000	\$000	Budget
8	Trade creditors	58	55	3
46	Accruals	33	2	31
54	Total	91	57	34

Explanation of major variances against the original budget and prior year actual:

The increase in accruals was mainly due to timely receipt and payment of year-end invoices.

NOTE 5: EMPLOYEE ENTITLEMENTS (CURRENT)

2023	Current employee	2024	2024	2024 and
Actual	entitlements	Actual	Original/Final	Actual vs.
	are represented by:		Budget	Original
\$000		\$000	\$000	Budget
138	Annual leave	156	98	58
154	Time off in lieu	142	98	44
292	Total employee entitlements	298	196	102

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(in Cayman Islands Dollars)

NOTE 5: EMPLOYEE ENTITLEMENTS (CURRENT) (CONTINUED)

Explanation of major variances against the original budget and prior year actual:

Total employee entitlements are consistent with the prior year ended 31 December 2023 but exceeded the budget because employees worked more overtime hours this year. This additional effort was aimed at reducing backlogged audits and completing current audits more timely.

NOTE 6: SURPLUS PAYABLE

2023		2024		2024
Actual		Actual	Original/Final Budget	Actual vs. Original Budget
\$000		\$000	\$000	\$000
1,746	Surplus payable	1,953	1,332	621
1,746	Total	1,953	1,332	621

Explanation of major variances against the original budget and prior year actual:

During the prior year, the Office made some operational changes to address an increase in audit engagements. To cover the increased cost of these changes, which also impacted the current year, it was necessary to retain more of the accumulated surpluses than was budgeted.

NOTE 7: CONTRIBUTED CAPITAL

According to the accounting policies of the Cayman Islands Government, goods and services provided between core government entities do not incur a realisable charge. The Office was unable to estimate the fair value of contributed goods and services received during the year ended 31 December 2024 due to the lack of accounting systems to record the costs of these transactions in accordance with the accounting standards. As such, no amounts have been recorded in the financial statements for the years ended 31 December 2024 and 2023.

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(In Cayman Islands Dollars)

NOTE 7: CONTRIBUTED CAPITAL (CONTINUED)

For example, services provided to the Office by the Cayman Islands Government include: human resource services, financial support services, legal services, computer hardware and systems support services, and software licensing fees.

2024		2024		2024
Actual		Actual	Original/Final Budget	Actual vs. Original Budget
\$000		\$000	\$000	\$000
103	Opening net assets/equity 2004/05	103	103	-
404	Equity injections:	404	404	-
	2004/05: \$222k			
	2005/06: \$ 5k			
	2007/08: \$177k			
181	Contributed goods and services (2010/11)	181	181	-
688	Total contributed capital	688	688	-

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(in Cayman Islands Dollars)

NOTE 8: REVENUE

2023		2024	2024	2024	2024
Actual		Actual	Original	Final	Actual vs.
			Budget	Budget	Original Budget
\$000		\$000	\$000	\$000	\$000
Revenue					
960	Audit services provided to Public Accounts Committee	1,101	1,193	977	(92)
3,254	Audit services provided to other government agencies	3,147	3,560	3,147	(413)
4,214	Total revenue	4,248	4,753	4,124	(505)

Explanation of major variances against the original budget and prior year actual:

The revenue generated from services to the PAC increased compared to the prior year, and was less than the budget for the year ended 31 December 2024. In the prior year, the Office carried out more performance audit work than the budget. However, we billed only for the budgeted amount. In 2024, the Office did more performance audit work than the prior year. However, some work did not progress as planned due to resources being unavailable because of other work commitments.

During the year ended 31 December 2024, the revenue earned from providing services to other government agencies was below the budgeted amount. This was due to delays in progressing the backlog financials audits.

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(In Cayman Islands Dollars)

NOTE 9: PERSONNEL COSTS

2023		2024	2024	2024	2024
Actual		Actual	Original	Final	Actual vs.
			Budget	Budget	Original Budget
\$000		\$000	\$000	\$000	\$000
	Salaries, overtime and allowances				
2,813	(including employee pension contributions)	3,122	3,238	3,122	(116)
329	Health insurance	347	425	347	(78)
133	Employer pension expense	142	167	142	(25)
97	Other personnel costs	10	22	10	(12)
3,372	Total personnel costs	3,621	3,852	3,621	(231)

Explanation of major variances against the original budget and prior year actual:

Personnel costs were \$116k lower than the budget due to staff turnover and the decision not to fill one Audit Project Leader position during the year, as outlined in the approved budget. During busy periods, the Office implemented a secondment strategy instead of hiring for the open position. During the year, one staff member was seconded to another government department for eight months. The department paid the regular salary costs during this period. Additionally, the timing of new staff joining contributed to actual personnel costs being lower than budgeted, as the budget accounted for expenses over a 12-month period.

Health insurance: Health insurance benefits were \$78k less than budget due to lower premiums, which resulted from employees' status not changing as anticipated (e.g., marital status) and timing of staff turnovers.

Other personnel costs: Other personnel costs relate to recruitment, freight, and leave passages. The Office was under budget by \$12k because staff turnover costs were lower than anticipated, and no costs were required to relocate personnel back to their home countries or bring new employees to the Cayman Islands.

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(in Cayman Islands Dollars)

NOTE 10: OPERATING EXPENSES

2023		2024	2024	2024	2024
Actual		Actual	Original Budget	Final Budget	Actual vs. Original Budget
\$000		\$000	\$000	\$000	\$000
111	Operating leases	117	207	117	(90)
54	Professional fees	123	141	123	(18)
77	Other goods and services	46	133	46	(87)
36	Software licensing fees	26	102	26	(76)
21	Audit fees	21	25	21	(4)
8	Computer and communication supplies	19	60	19	(41)
20	Utilities	18	29	18	(11)
14	Travel and subsistence	18	26	18	(8)
12	Janitorial services	11	15	11	(4)
20	Training	9	40	9	(31)
6	Legal fees	1	28	1	(27)
379	Total operating expenses	409	806	409	(397)

Explanation of major variances against the original budget and prior year actual:

Operating Lease: Lease expenses were under budget by \$90k as the 2024 budget was prepared prior to the new lease being finalised; the negotiated amount was less than what was budgeted.

Professional Fees: Professional fees were significantly below budget as the Office continued to use its staff rather than consultants to carry out performance audits.

Other Goods and Services: The cloud transition project comprised \$40k of the budget, allocated for technical support. This project did not materialize in 2024, which contributed significantly to the reported variance.

Office of the Auditor General Cayman Islands

Notes to the Financial Statements

For the year ended 31 December 2024

(In Cayman Islands Dollars)

NOTE 10: OPERATING EXPENSES (CONTINUED)

Software and Licensing fees: The cloud transition project comprised \$60k of the budget. This project did not materialize in 2024, which contributed significantly to the reported variance.

Training: Training expenses were below budget as the Office delivered more training in-house than anticipated during the year ended 31 December 2024.

Computer and Communication Supplies: The budget included provisions for website set-up and cloud supplies, which contributed \$33k of the under-utilisation of the budget. The website project was completed as planned during the year and was under budget by \$13k. The cloud project was valued at \$20k; however, it did not materialise during the year as planned.

Legal Fees: Legal fees were under budget by \$27k as fewer matters required legal advice during the year ended 31 December 2024 than budgeted and the prior year ended 31 December 2023.

NOTE 11: COMMITMENTS – PROPERTY LEASE

The Office has a non-cancellable accommodation lease with Beaufort Investments Ltd. for leased property on the third floor, Anderson Square, Shedden Road, George Town. The Office signed a 5-year lease effective from 1 November 2019 and expiring on 31 October 2024. In October 2024, the Office entered into a new lease agreement for the same office space for a further 5 years commencing 1 November 2024.

The Office also signed 1-year non-cancellable parking spaces at Piccadilly Car Park Centre Ltd. from 1 November 2024.

Type	One year or less \$000	One to five years \$000	Over five years \$000	2024 Total \$000	2023 Total \$000
Non-cancellable accommodation lease	136	426	562	93	93

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(in Cayman Islands Dollars)

NOTE 12: CONTINGENT LIABILITIES

At 31 December 2024, there are no quantifiable or non-quantifiable contingent liabilities (31 December 2023: no contingent liabilities).

NOTE 13: RECONCILIATION OF NET SURPLUS TO CASH FLOWS GENERATED FROM OPERATING ACTIVITIES

2023		2024	2024	2024
Actual		Actual	Original/Final	Actual vs.
			Budget	Original Budget
\$000		\$000	\$000	\$000
446	Net surplus	199	75	124
	Non-cash movements			
17	Depreciation	19	20	(1)
-	Prior period adjustment	7	-	7
1	Loss on disposals of property, plant and equipment	1	-	1
(14)	Increase/(decrease) in payables/accruals	37	27	10
79	Increase in other current liabilities	6	-	6
(512)	Decrease/(increase) in receivables	343	(33)	376
(8)	Increase in prepayments	7	-	7
9	Net cash flows from operating activities	619	89	530

NOTE 14: RELATED PARTY TRANSACTIONS

The Office is controlled by the Cayman Islands Government, and therefore, government ministries, portfolios, statutory authorities, government companies and other government offices are considered related parties. As indicated in the approved 2022–2023 and 2024–2025 Budget Statements of the Government, there were no inter-agency charges between core government entities, except for audit services revenue. As a result, the Office was unable to make an estimate of the fair value of contributed goods and services received for the 2024 and 2023 fiscal years, as described in Note 7.

Office of the Auditor General Cayman Islands

Notes to the Financial Statements

For the year ended 31 December 2024

(In Cayman Islands Dollars)

NOTE 14: RELATED PARTY TRANSACTIONS (CONTINUED)

KEY MANAGEMENT PERSONNEL

As at 31 December 2024, there were four senior managers in the Office (31 December 2023: 4). Remuneration includes regular salary, pension contributions, health insurance contributions, acting and duty allowance, mobile phones, and motor car upkeep. Total remuneration for senior management for the year ended 31 December 2024 was \$757k (31 December 2023: \$748k). There were no loans made to key management personnel or their close family members in 2024 (2023: none).

NOTE 15: FINANCIAL RISK MANAGEMENT

The Office is exposed to a variety of financial risks including credit risk and liquidity risk. The Office's risk management policies are designed to identify and manage these risks, to set appropriate risk limits and controls, to monitor the risks and adhere to limits by means of up to date and reliable information systems. These risks are managed as required by the *Financial Regulations (2022 Revision)*.

CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Office. Financial assets which potentially expose the Office to credit risk comprise cash and cash equivalents and accounts receivable.

The Office is exposed to potential losses that would be incurred if the counterparty to the bank balances fails to discharge its obligation to repay. All bank balances are with one financial institution located in the Cayman Islands which management considers financially secure and well managed. Royal Bank of the Caribbean (RBC) is the Office's main bank with a S&P Global Ratings of AA-.

The Office is also exposed to a significant concentration of credit risk in relation to accounts receivable, all of which are due from other Government entities. No credit limits have been established. As at 31 December 2024 and 2023, no provision for doubtful debts has been established as none of these assets are impaired and management considers these debts to be recoverable in full. Notwithstanding the concentration risk in relation to accounts receivable, management does not consider the Office to be exposed to significant credit risk as all of the counterparties are other government entities and the Cayman Islands Government is rated Aa3 with a stable outlook by Moody's.

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(in Cayman Islands Dollars)

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

CREDIT RISK (CONTINUED)

The average credit period on sales is 30 days. The carrying amount of financial assets recorded in the financial statements represents the Office's maximum exposure to credit risk. No collateral is required from debtors.

LIQUIDITY RISK

Liquidity risk relates to the Office's ability to meet its payment obligations associated with its financial liabilities when they are due.

The ability of the Office to meet its debts and obligations is dependent upon its ability to collect the debts outstanding in a timely basis. Management manages liquidity risk through monitoring cash flows from debtors, paying creditors on their due dates, and if the circumstances required it to obtain funding from Government to temporarily fund any shortfalls the Office would have its own cash flows. As at 31 December 2024 and 2023, all of the financial liabilities were due within three months of the year-end dates.

NOTE 16: FINANCIAL INSTRUMENTS – FAIR VALUES

As at 31 December 2024 and 2023, the carrying value of cash and cash equivalents, accounts receivable, other receivables, accounts payable and accruals, employee entitlements, and surplus payable upon demand approximate their fair value due to their relative short-term maturities.

Fair value estimates are made at a specific point in time, based on market conditions and the information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

Office of the Auditor General Cayman Islands
Notes to the Financial Statements
For the year ended 31 December 2024
(In Cayman Islands Dollars)

NOTE 17: CHANGES TO THE BUDGET

The Office carried forward its unused budget for the year ended 31 December 2024 expenses to the next financial year ending 31 December 2025 as allowed under IPSAS 24. The carry forward will result in an increase in the 2025 budget amounts for personnel costs of \$231k, operating expenses of \$397k, and depreciation of \$1k.

NOTE 18: SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were approved.

On 28 February 2025, the Auditor General, Sue Winspear, left the office. Subsequently, the Deputy Auditor General, Patrick Smith was appointed as Acting Auditor General. No other material events have occurred which necessitate additional disclosure.

APPENDIX 1 – ENTITIES AUDITED BY THE AUDITOR GENERAL

Under the *Public Management and Finance Act*, the Auditor General is responsible for carrying out the audits of all public sector entities. The Office relies on the work performed by private sector audit firms for a number of its financial statements audits. The following list provides details about who carried out the audits during 2024 for the financial statements' audits ending 31 December 2023.

The entities named below are the core government entities as at 31 December 2024.

	Entity	Auditor
	Ministries, Portfolios and Offices	
1.	Cabinet Office	OAG
2.	Cayman Islands Parliament	OAG
3.	Judicial Administration	OAG
4.	Ministry of Border Control, Labour and Culture	OAG
5.	Ministry of District Administration and Lands	OAG
6.	Ministry of Education	OAG
7.	Ministry of Finance and Economic Development	OAG
8.	Ministry of Financial Services and Commerce	OAG
9.	Ministry of Health and Wellness*	OAG
10.	Ministry of Home Affairs	OAG
11.	Ministry of Investment, Innovation and Social Development*	OAG
12.	Ministry of Planning, Agriculture, Housing, Transport, Infrastructure and Development	OAG
13.	Ministry of Sustainability and Climate Resiliency*	OAG
14.	Ministry of Tourism and Ports	OAG
15.	Ministry of Youth, Sports and Heritage	OAG
16.	Office of the Director of Public Prosecutions	OAG
17.	Office of the Ombudsman	OAG
18.	Office of the Police Commissioner	OAG
19.	Portfolio of the Civil Service	OAG
20.	Portfolio of Legal Affairs	OAG

	Entity	Auditor
	Statutory Authorities and Government Companies	
21.	Auditors Oversight Authority	OAG
22.	Cayman Airways Limited	Grant Thornton
23.	Cayman Islands Airport Authority	OAG
24.	Cayman Islands Development Bank	OAG
25.	Cayman Islands Monetary Authority	OAG
26.	Cayman Islands National Insurance Company	KPMG
27.	Cayman Islands National Attractions Authority	OAG
28.	Cayman Islands National Museum	OAG
29.	Cayman National Cultural Foundation	OAG
30.	Cayman Islands Stock Exchange Ltd.	Baker Tilly
31.	Cayman Turtle Conservation and Education Centre Limited	Grant Thornton
32.	Children & Youth Services Foundation	OAG
33.	Civil Aviation Authority	OAG
34.	Health Services Authority	OAG
35.	Maritime Authority of the Cayman Islands	Baker Tilly
36.	National Drug Council	OAG
37.	National Gallery of the Cayman Islands	OAG
38.	National Housing Development Trust	OAG
39.	National Roads Authority	OAG
40.	Port Authority of the Cayman Islands	OAG
41.	Public Service Pensions Board	OAG
42.	Segregated Insurance Fund	OAG
43.	Sister Islands Affordable Housing Development Corporation	OAG
44.	University College of the Cayman Islands	OAG
45.	Utility Regulation and Competition Office	OAG
46.	Water Authority of the Cayman Islands	Baker Tilly
47.	Entire Public Sector	OAG

*Note: *Further changes were announced on 7 November 2024. The Ministry of Health and Wellness (MHW) became the Ministry of Health and the Ministry of Sustainability and Climate Resiliency (MSCR) became the Ministry of Sustainability, Climate Resiliency and Wellness (MSCRW), the Ministry of*

Investment, Innovation and Social Development (MIISD) became the Ministry of Social Development and Innovation (MISD). These changes take effect from 1 January 2025.

APPENDIX 2 – SUMMARY OF REPORTS ISSUED AND IN PROGRESS IN 2024

Reports issued during 2024

Reports Issued	Date of Issue	Summary
The efficiency and effectiveness of Cayman Airways Limited	March 2024	The performance audit report assessed Cayman Airways Limited's efficiency and effectiveness.
Improving employment prospects for Caymanians.	June 2023	The performance audit report assessed Workforce Opportunities & Residency Cayman's (WORC) efficiency and effectiveness in improving employment prospects. It also considered contributions by other public sector entities as improving employment prospects requires a joined-up approach.
The Government's approach to sustainable economic development	November 2024	The performance audit report assessed the Government's approach to sustainable economic development.
Financial reporting of the Cayman Islands Government: General Report 31 December 2023	November 2024	This compendium report summarised the results of the audits and financial performance of the 39 public sector entities for 2023, audited by 30 September 2024.

Reports in progress as at 31 December 2024

Reports in Progress	Summary	Progress at 31 December 2023
The Integrated Solid Waste Management System for the Cayman Islands (ReGen)	<p>This audit will review the value for money of the public private partnership agreement for the ReGen waste management facility.</p> <p>A draft report was issued to the Government in December 2021 but clearance comments were not received. The Government announced in July 2024 that it planned to start negotiations to exit the project agreement.</p>	Report being updated and prepared for issue.
Improving Financial Accountability and Transparency: Long-term Financial Sustainability	This audit will assess how effective the Cayman Islands Government is at planning for long-term financial sustainability.	Reporting phase. The report is expected in the first quarter of 2025.
Affordable Housing	This audit will assess the Government's approach to improving access to affordable housing.	Examination phase. The examination and other phases of the

Reports in Progress	Summary	Progress at 31 December 2023
		audit will be completed in 2025.
Governance in Statutory Authorities and Government Companies (SAGCs)	This audit will examine the effectiveness of governance arrangements in SAGCs.	Examination phase. The examination and other phases of the audit will be completed in 2025.
Grants to Non-Government Organisations (NGOs).	The scope of the audit is still being determined.	Planning phase. The planning and other phases of the audit will be completed in 2025.
George Town Revitalisation	The scope of the audit is still being determined.	Planning phase. The planning and other phases of the audit will be completed in 2025.
Efficiency and effectiveness of OfReg	The scope of the audit is still being determined. It will follow-up on the implementation of previous recommendations made by the OAG and PAC in 2020. This is because the Government has yet to formally provide an update on these.	Planning phase. The planning and other phases of the audit will be completed in 2025.
Progress with the 5-year Strategic Plan to become a world-class civil service	This audit will assess the Civil Service's progress with implementing its 5-year strategic plan to become a world class civil service (2018 – 2022) and any updates to this plan.	On hold. The planning phase was completed in the first quarter of 2024 and then put on hold.

APPENDIX 3 – OUTPUTS DELIVERED

The outputs delivered in 2024 to the PAC as per the Budget Statement for the OAG.

ADO 2	Services to the Parliament and its Committees		
Related Broad Outcome: Stable, Effective and Accountable Government			
Description Audit reports and advice to the Public Accounts Committee (PAC) and other Parliament Committees.			
Measures	2024 Actual	2024 Budget	2023 Actual
Quantity			
<ul style="list-style-type: none">Number of reports issued to the ParliamentNumber of audits in progress / partial reports at year end	4 7	3-5 2-3	4 7
Quality			
<ul style="list-style-type: none">Issued reports are reviewed and signed off by Deputy Auditor General and Auditor GeneralRequest client’s comments on the draft reports and amend the final report if necessaryReport recommendations are endorsed by the PACReport recommendations are accepted by the client	100% 100% 100% 100%	100% 100% 90-100% 75-100%	100% 100% 100% 100%
Timeliness			
<ul style="list-style-type: none">Auditor General reports become public documents within two weeks of submission to the Speaker of the Parliament.All reports are publicly available through the website within two days after becoming a public document.	100% 100%	80-100% 100%	100% 100%
Location			
Cayman Islands: Office of the Auditor General, 3 rd Floor Anderson Square, George Town, and Client premises (local & international)	100%	100%	100%
Cost (of producing the Output)	\$1,100,767	\$1,192,800	\$1,008,886
Price (paid by PAC for the output)	\$1,100,767	\$1,192,800	\$960,000

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 Fax: (345) 945 7738

Complaints

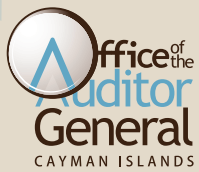
To make a complaint about one of the organisations we audit or about the OAG itself, please contact Katrina Thomas at our address, telephone or fax number or alternatively email: katrina.thomas@oag.gov.ky

Freedom of Information

For freedom of information requests please contact Katrina Thomas at our address, telephone or fax number. Or alternatively email: foi.aud@gov.ky

Media enquiries

For enquiries from journalists please contact Patrick Smith at our phone number or email: Patrick.Smith@oag.gov.ky



April 2025