



# TABLE OF CONTENTS

1.	REFERENCE.....	3
2.	PAPER CONSIDERED .....	3
3.	CHAIRMAN AND MEMBERS OF THE COMMITTEE.....	3
4.	MEETINGS OF THE COMMITTEE .....	3
5.	ATTENDANCE OF MEMBERS .....	4
6.	PERSONS IN ATTENDANCE.....	4
7.	WITNESSES CALLED BEFORE THE COMMITTEE .....	5
8.	PRACTICE AND PROCEDURE OF THE COMMITTEE (S.O 77 (6)) .....	5
9.	INTRODUCTION AND COMMENTS.....	5
	ACKNOWLEDGEMENT.....	6
	REPORT OF THE COMMITTEE TO THE HOUSE .....	6

**REPORT OF THE STANDING  
PUBLIC ACCOUNTS COMMITTEE  
ON THE SPECIAL REPORT OF THE  
AUDITOR GENERAL  
ON THE STATE OF FINANCIAL ACCOUNTABILITY  
REPORTING (UPDATE)**

**SUMMARY REPORT**

**1. REFERENCE**

The Standing Public Accounts Committee of the Cayman Islands Legislative Assembly, established under Standing Order 77, met to consider the Special Report of the Auditor General on the State of Financial Accountability Reporting (Update) as prepared and submitted by the Auditor General.

**2. PAPER CONSIDERED**

In accordance with the provision of Standing Order 77(1), the Committee considered the following paper referred to it by the House:

- Special Report of the Auditor General on the State of Financial Accountability Reporting (Update)

**3. CHAIRMAN AND MEMBERS OF THE COMMITTEE**

The following Members of the Legislative Assembly were the Members of the Standing Public Accounts Committee who dealt with this Report of the Auditor General –

Mr D Ezzard Miller, JP, MLA- Chairman

Hon Cline A Glidden, Jr., MLA

Mr. Ellio A Solomon, MLA

Mr. Dwayne S Seymour, MLA

Mr Moses I Kirkconnell, JP, MLA

The following Members of the Legislative Assembly are the present Members of the Standing Public Accounts Committee –

Mr Moses I Kirkconnell, JP, MLA - Chairman

Hon Cline A Glidden, Jr., MLA

Mr D Kurt Tibbetts, OBE, JP, MLA

Mr. Ellio A Solomon, MLA

Mr. Dwayne S Seymour, MLA

#### **4. MEETINGS OF THE COMMITTEE**

The Committee reviewed the Minutes of five (5) meetings held by the Committee, to consider this Report:

- (i) Thursday 29<sup>th</sup> April 2010
- (ii) Tuesday 11<sup>th</sup> May 2010
- (iii) Thursday 13<sup>th</sup> May 2010
- (iv) Tuesday 14<sup>th</sup> December 2010
- (v) Wednesday 13<sup>th</sup> June 2012

#### **5. ATTENDANCE OF MEMBERS**

The attendance of Members at meetings is recorded in the Minutes of Proceedings which are attached to and form part of the Report.

#### **6. PERSONS IN ATTENDANCE**

In accordance with Standing Order 77(8), the following persons were in attendance at the meeting:

Mr. Alastair Swarbrick, Auditor General

Mr. Garnet Harrison, Deputy Auditor General

Mr Martin Ruben – Manager / Audit Office

Mr Patrick Smith – Audit Manager / Audit Office

Mrs Sonia McLaughlin – Chief Officer/ Ministry of Finance

Mr Michael Nixon – Senior Assistant Financial Secretary/ Ministry of Finance

Mrs Ann Owens – Senior Officer/Ministry of Finance

Mr David van Duynhoven – Task Force/ Ministry of Finance

Mrs Debra Welcome – Accountant General

Mrs Gloria Myles – Deputy Accountant General

## **7. WITNESSES CALLED BEFORE THE COMMITTEE**

In accordance with the provisions of Standing Order 77(4), the Committee may invite Controlling Officers and support staff to give information or explanation to assist the Committee in the performance of its duties. The Committee agreed that the following persons would be called to give evidence:

- All Chief Officers and Chief Financial Officers of the Ministries, Portfolios and Authorities and Government Owned Companies.

## **8. PRACTICE AND PROCEDURE OF THE COMMITTEE (S.O 77 (6))**

The Committee agreed that in accordance with the provisions of Standing Order 77 (6) that its meetings, at which Controlling Officers are invited to provide information, should be held in an open forum. This decision was taken to promote openness and accountability in Government.

## **9. INTRODUCTION & PAC COMMENTS**

**9.01** The Report of the Auditor General is an update to his Report issued in July 2008 regarding the lack of financial accountability of the Cayman Islands Government.

**9.02** The Committee concur with the Auditor General's conclusion that it is unacceptable that the Government accounting activities are not up to date. The Government needs to have timely and credible financial information to operate effectively. Without that information the Government cannot manage its affairs and demonstrate that it is making the best financial decisions on behalf of its citizens.

**9.03** The Committee agrees that the Government must have the management framework in place to bring financial accountability reporting up to an acceptable level and in compliance with the Public Management and Finance Law.

**9.04** The Committee acknowledges that the Auditor General has submitted the following reports as a means of providing an update on the State of Financial Accountability Reporting by the Government. The said Reports have been tabled in the Legislative Assembly:

- Financial and Performance Reporting – Progress Update at 31 March 2011
- Financial and Performance Reporting – Progress Update at 31 July 2011
- Financial and Performance Reporting – Progress Update at 2 December 2011

## **ACKNOWLEDGEMENT**

The Committee is most appreciative of the efforts of the Auditor General and his staff in presenting a very fair, detailed and informative Report on the Review of the State of Financial Accountability Reporting (Update) and for the support, assistance and constructive advice given throughout its deliberations.

The Committee also wish to thank the staff of the Legislative Assembly for the assistance provided.

## **REPORT OF THE COMMITTEE TO THE HOUSE**

The Committee agrees that this Report be the Report of the Standing Public Accounts Committee to the House on the Special Report of the Auditor General on the State of Financial Accountability Reporting (Update) July 2010.

(Except General Reserve)

	<b>Original Estimate 2002 \$m</b>	<b>Approved Estimate 2002 \$m</b>	<b>Actual 2002 \$m</b>	<b>Actual 2001 \$m</b>	<b>Increase/ (Decrease) 2002 %</b>
<b>REVENUE</b>					
Local Revenue	<u>340.073</u>	<u>340.073</u>	<u>316.694</u>	<u>287.628</u>	10.11
<b>EXPENDITURE</b>					
Recurrent	269.766	274.237	252.295	259.384	(2.73)
Capital Acquisitions	5.034	5.461	3.064	3.941	(22.25)
Capital Development	15.998	17.512	14.543	22.156	(34.36)
Statutory	<u>49.786</u>	<u>49.786</u>	<u>49.923</u>	<u>46.968</u>	6.29
<b>TOTAL EXPENDITURE</b>	<u>340.584</u>	<u>346.996</u>	<u>319.825</u>	<u>332.449</u>	(3.80)
<b>(DEFICIT) BEFORE FINANCING</b>	<b>(0.511)</b>	<b>(6.923)</b>	<b>(3.131)</b>	<b>(44.821)</b>	<b>(93.01)</b>
<b>FINANCED BY</b>					
Local Loan	12.000	12.000	10.866	49.607	
External Loan	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.097</u>	
<b>SURPLUS FOR THE YEAR BEFORE TRANSFERS TO RESERVES</b>	<b>11.489</b>	<b>5.077</b>	<b>7.735</b>	<b>4.883</b>	
<b>NET TRANSFER (TO)/FROM GENERAL RESERVE</b>	<b>0.000</b>	<b>0.000</b>	<b>(1.500)</b>	<b>6.900</b>	
<b>SURPLUS FOR THE YEAR</b>	<b>11.489</b>	<b>5.077</b>	<b>6.235</b>	<b>11.783</b>	
<b>CASH MOVEMENTS BELOW THE LINE</b>					
(Increase) in Imprests			(0.369)	(0.047)	
(Decrease)/Increase in Deposits			(3.954)	2.407	
(Increase) in Advances			(1.445)	(1.445)	
<b>NET CASH FLOW FOR THE YEAR</b>			<b>0.467</b>	<b>12.698</b>	
<b>CASH AND CASH EQUIVALENTS</b>					
Beginning of Year			<u>5.406</u>	<u>(7.292)</u>	
End of Year			<u>5.873</u>	<u>5.406</u>	