CAYMAN ISLANDS


A BILL FOR A LAW TO AMEND THE PUBLIC MANAGEMENT AND FINANCE LAW (2010 REVISION) TO RELAX THE VOLUME, FREQUENCY AND FORMATTING OF REPORTING; AND TO PROVIDE FOR INCIDENTAL AND CONNECTED PURPOSES
MEMORANDUM OF OBJECTS AND REASONS

This Bill seeks to amend the Public Management and Finance Law (2010 Revision) to relax the volume, frequency and formatting of reporting.

Clause 1 provides the short title.

Clause 2 amends section 4 of the principal Law to remove the requirement for compliance with generally accepted accounting standards for the years 2004/5 to 2010/11.

Clause 3 amends section 13 of the principal Law to remove references to sections 28, 43 and 51 of the principal Law which are being repealed.

Clause 4 amends section 14 of the principal Law to remove the requirement for compliance with generally accepted accounting standards for the years 2004/5 to 2010/11.

Clause 5 repeals section 28 of the principal Law to remove the requirement for quarterly consolidated reports.

Clause 6 repeals and replaces subsection 29(2) of the principal Law to allow for annual consolidated unaudited financial statements and annual unaudited schedule of appropriations for the years 2004/5 to 2007/8 and to remove the requirement for an annual consolidated summary of the specific outcomes and audited summary of the output groups, transfer payments groups etc.

Clause 7 amends section 32(f) of the principal Law to remove the reference to section 28 of the principal Law which is being repealed.

Clause 8 repeals section 43 of the principal Law to remove the requirement for ministry or portfolio quarterly reports.

Clause 9 amends section 44 of the principal Law to allow for unaudited financial statements for the years 2004/5 to 2007/8 and to remove the requirement for a ministry or portfolio annual audited statement of outputs delivered, summary of the nature and scope of the activities, the summary of the strategic goals and objectives and the summary of the ownership performance achieved.
Clause 10 repeals section 51 of the principal Law to remove the requirement for statutory authorities and government companies to prepare half-yearly reports.

Clause 11 amends section 52 of the principal Law to allow statutory authorities and government companies to prepare unaudited financial statements for the years 2004/5 to 2007/2008.

Clause 12 amends section 53 of the principal Law to remove references to half-yearly reports which are no longer required in light of the repeal of section 28 of the principal Law.

Clause 13 amends section 54 of the principal Law to remove references which are no longer required in light of the repeal of section 28 and amendment of section 29 of the principal Law and to remove the requirement for compliance with generally accepted accounting standards for the years 2004/5 to 2010/11.

Clause 14 amends section 60 of the principal Law to remove references which are no longer required in light of the amendment of sections 29 and 44 of the principal Law.

Clause 15 amends section 78 of the principal Law to remove the references to section 43 of the principal Law which is being repealed.

Clause 16 amends section 82(4) of the principal Law to remove the requirement for compliance with generally accepted accounting standards for the years 2004/5 to 2010/11.

Clause 17 amends the Second Schedule to the principal Law in order to change the names of the operating statement and balance sheet to the statement of financial performance and statement of financial position respectively and to remove the requirement for statements of financial position for the years 2004/5 to 2010/11.

Clause 18 repeals the Third Schedule to the principal Law.

Clause 19 amends the Fourth Schedule to the principal Law in order to change the names of the operating statement and balance sheet to the statement of financial performance and statement of financial position respectively and to remove the requirement for statement of financial position for the years 2004/5 to 2010/11.

Clause 20 amends the Fifth Schedule to the principal Law to remove the reference to section 43 of the principal Law which is being repealed.
THE PUBLIC MANAGEMENT AND FINANCE (AMENDMENT) BILL, 2011

ARRANGEMENT OF CLAUSES

1. Short title
2. Amendment of section 4 of the Public Management and Finance Law (2010 Revision) - accrual accounting
3. Amendment of section 13 - emergency expenditure
4. Amendment of section 14 - responsible financial management
5. Repeal of section 28 - government quarterly report
6. Amendment of section 29 - government annual report
7. Amendment of section 32 - duties of Minister of Finance
8. Repeal of section 43 - ministry or portfolio quarterly report
9. Amendment of section 44 - ministry of portfolio annual report
10. Repeal of section 51 - half-yearly report
11. Amendment of section 52 - statutory authority or government company annual report
12. Amendment of section 53 - exclusion of commercially sensitive matters
13. Amendment of section 54 - duties of ministry responsible for finance
14. Amendment of section 60 - powers and duties of Auditor General
15. Amendment of section 78 - law not to affect the independence of Governor
16. Amendment of section 82(4) - transition of accounts
17. Amendment of Second Schedule - forecast financial statements
18. Repeal of Third Schedule - quarterly financial statements
19. Amendment of Fourth Schedule - annual financial statements
20. Amendment of Fifth Schedule - ownership performance measures
CAYMAN ISLANDS

THE PUBLIC MANAGEMENT AND FINANCE (AMENDMENT) BILL, 2011

ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Public (Management and Finance (Amendment) Law, 2011.

2. The Public Management and Finance Law (2010 Revision), in this Law referred to as the “principal Law,” is amended in section 4 by inserting after the word “and” the words “, except for the years 2004/5 to 2010/11,”.

3. The principal Law is amended in section 13 -

   (a) by repealing subsection (2) and substituting the following subsection -

   “ (2) Without affecting the validity of any executive financial transactions entered into under this section, a statement of such of those transactions that have not been appropriated, but (apart from this section) are required to be appropriated, shall be included in the first Government annual report under section 29 after those transactions have been entered into, and the cost of those transactions shall be included in the first Appropriation Bill
introduced to the Legislative Assembly after those transactions have been entered into.”; and

(b) in subsection (3) by repealing subparagraphs (i)-(vii) and substituting the following subparagraphs -

“(i) a Government annual report is required to be gazetted under section 29;

(ii) an annual report of a ministry or portfolio, is required to be presented to the Legislative Assembly under section 44;

(iii) an annual report of a statutory authority or government company, is required to be presented to the Legislative Assembly under section 52; or

(iv) the Government budgeting process is to be completed in accordance with sections 17 to 22.”.

4. The principal Law is amended in section 14(3) by inserting after the words “generally accepted accounting practice” wherever they appear the words “, except for the years 2004/5 to 2010/11”.

5. The principal Law is amended by repealing section 28.

6. The principal Law is amended in section 29 as follows -

(a) by repealing subsection (2) and substituting the following subsection -

“(2) The Government annual report shall report the performance of the core government and the entire public sector and compare it with that proposed in the annual plan and estimates for that financial year, and shall include -

(a) for the financial years -

(i) 2004/5 to 2007/8, the unaudited annual consolidated financial statements for the core government and the entire public sector for that year; or

(ii) 2008/9 and onwards, the audited annual consolidated financial statements for the core government and the entire public sector for that year,

which shall be prepared on a basis consistent with the forecast financial statements in the annual plan and estimates for that year, and
contain the statements and information set out in the Fourth Schedule; and

(b) for the financial years -
   (i) 2004/5 to 2007/8, the unaudited annual schedule of appropriations; or
   (ii) 2008/9 and onwards the audited annual schedule of appropriations,
   used for the year compared with the appropriations granted under the Appropriation Law (together with any supplementary Appropriation Law) for the financial year.”; and

(b) by repealing subsection (3) and substituting the following subsections -

“ (3) The annual consolidated financial statements and the annual schedule of appropriations referred to in subsection (2) shall be prepared within four months of end of the financial year.

(3A) The annual consolidated financial statements and the annual schedule of appropriations referred to in subsection (2)(a)(ii) and (b)(ii) shall be submitted to the Auditor General for auditing, and the Auditor General shall express an opinion within one month of receipt of the annual consolidated financial statements.”.

7. The principal Law is amended in section 32(f) by deleting the words “sections 28 and 29 are complied with” and substituting the words “section 29 is complied with”.

8. The principal Law is amended by repealing section 43.

9. The principal Law is amended in section 44 as follows -

(a) by repealing subsection (2) and substituting the following subsection -

“ (2) The annual report shall set out the performance of the ministry or portfolio and compare it with that set out in the annual budget statement (including any amendments thereto) for that financial year and shall -

(a) for the financial years 2004/5 to 2007/8, include unaudited financial statements; or
(b) for the financial years 2008/9 and onwards, include audited financial statements, which shall be prepared on a basis consistent with the forecast financial statements in the annual budget statement for that financial year and contain the statements and information set out in the Fourth Schedule.”; and

10. The principal Law is amended by repealing section 51.

11. The principal Law is amended in section 52 as follows -

(a) in subsection (2) by deleting paragraph (d) and substituting the following paragraph -

“ (d) for the financial years -

(i) 2004/5 to 2007/8, unaudited financial statements; or

(ii) 2008/9 and onwards, audited financial statements,

which shall be prepared on a basis consistent with the forecast financial statements in the authority’s or company’s annual ownership agreement for that financial year and contain the statements and information set out in the Fourth Schedule.”; and

(b) by repealing subsection (3) and substituting the following subsections -

“ (3) The financial statements referred to in subsection (2) shall be prepared within two months of the end of the financial year.

(3A) The financial statements referred to in subsection 2(b) shall be submitted to the Auditor General for auditing, and the Auditor General shall express an opinion within two months of receipt of the financial statements.”.
and the Auditor General shall express an opinion within two months of receipt of the financial statements.”.

12. The principal Law is amended in section 53 by deleting the words “, half-yearly report”.

13. The principal Law is amended in section 54 as follows -

(a) by repealing paragraph (g) and substituting the following paragraph -
“ (g) prepare annual consolidated financial statements required by section 29(2);”; and
(b) in paragraph (k) by inserting after the word “shall” the words “, except for the years 2004/5 to 2010/11,”.

14. The principal Law is amended in section 60 by repealing paragraphs (a) and (b) and substituting the following paragraphs -
“ (a) conduct audits of the financial statements -
(i) referred to in section 29(2)(a)(ii) in respect of the core government and the entire public sector; and
(ii) referred to in sections 44(2)(b) and 52(2)(d)(ii) in respect of every ministry, portfolio, statutory authority and government company;
(b) conduct audits of the annual schedule of appropriation referred to in section 29(2)(b)(ii);”.

15. The principal Law is amended in section 78(3) by deleting the words “shall not be required to comply with sections 42, 43 and 44” and substituting the words “shall not be required to comply with sections 42 and 44”.

16. The principal Law is amended in section 82(4) by deleting subsection (4) and substituting the following -
“ (4) All fund balances, public debt, fixed deposit and investments, advance accounts, deposit accounts, investment undertakings, self-financing loans, loans recoverable and arrears of revenue recorded by the Treasury at the 7th April, 2003, shall be transferred and appropriately classified to the executive statement of financial position or the statement of financial position of the relevant ministry, portfolio, statutory authority or government company in accordance with (except for the years 2004/5 to 2010/11) generally accepted financial accounting practice.”.
17. The principal Law is amended in the Second Schedule as follows -

(a) in item 1 by repealing paragraphs (a) and (b) and substituting the following paragraphs -

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(a) a statement of financial performance;
(b) a statement of financial position (except for the financial years 2004/5 to 2010/11);"
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and

(b) by deleting item 3 and substituting the following item -

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3. In the case of forecast financial statements required by section 26 comparative actual figures are not required.”.
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18. The principal Law is amended by repealing the Third Schedule.

19. The principal Law is amended in the Fourth Schedule in item 1 by repealing paragraphs (a) and (b) and substituting the following paragraphs -

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(a) a statement of financial performance;
(b) a statement of financial position (except for the years 2004/5 to 2010/11);"
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20. The principal Law is amended in the Fifth Schedule by deleting the reference to section “43”.

Passed by the Legislative Assembly the day of , 2011.

Speaker.

Clerk of the Legislative Assembly.