



The Cayman Islands Government

The Government Minute

**Government's response to the
Report of the Standing Public Accounts Committee (PAC) of the Cayman Islands Parliament
On the Report of The Auditor General: "The Efficiency and Effectiveness of Cayman Airways Limited
(March 2024)".**

Prepared by Office of the Deputy Governor

31st August 2026

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Report of the Public Accounts Committee (PAC) on
The Efficiency and Effectiveness of Cayman Airways Limited (March 2024)

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1.0 Background

Section 97(6) of the Parliament Standing Orders, 2025 requires that a Government Minute be laid on the Table of the House within three months of the laying of the report of the Public Accounts Committee (PAC) and of the report of the Auditor General to which it relates.

2.0 Introduction

This Government Minute is the formal written response of the Government to the Report of the Standing Public Accounts Committee on:

The Report of the Office of the Auditor General:

“The Efficiency and Effectiveness of Cayman Airways Limited (March 2024)”.

which was tabled in Parliament on 11 December 2024.

Responses are structured to directly address each PAC recommendation, confirm the Government's acceptance status, provide details on the specific actions taken or to be taken, and provide realistic and reasonable timelines for implementation, where appropriate.

3.0 Government response to the Committee

The Government has carefully considered the Committee's report and provides its response accordingly.

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PAC Recommendation

Responsible Officers: Cabinet Secretary

The PAC noted that CAL had funded some of the additional costs of implementing section 47 of the Public Authorities Act from its cash reserves. CAL has estimated the cost of full implementation as an additional \$3.5 million a year. However, the committee heard that despite requesting additional funds to cover these costs, the Government had provided additional funding to cover these costs in 2024 but not for 2025. The Committee is concerned that these additional recurring costs will add to CAL's annual losses. The Committee had previously recommended in its report on the Auditor General's report Financial Reporting of the Cayman Islands Government: General Report 31 December 2022 (October 2023) that the Government make and enact a policy decision regarding Section 47 (3) of the Public Authorities Act by the end of Q4 2024. **The Committee recommends that, if the Government decides to continue with section 47 of the Act in its current form, it provides CAL, and other SAGCs, with adequate funding to allow them to fully implement and comply with the Act.**

The Government accepts in principle the Committee's recommendation.

Recommendation Status: In Progress.

Government Response:

Cabinet has approved the issuance of drafting instructions for an amendment to s.47 of the Public Authorities Act (PAA) to enable Cabinet to approve different salary scales to be used by different Statutory Authorities and Government-owned Companies where an SAGC can establish a business case to support the approval of a different salary scale. These amendments will be taken forward by the Office of the Premier (OTP). It is anticipated that the proposed amendments to s.47 of the Public Authorities Act will be debated in the Parliament in Q4 of 2026.

The Government engaged consultants in Q1 of 2026 to review the Public Authorities Act to support Government's broader effort to strengthen governance frameworks across SAGCs. Recommendations will duly consider recent audit findings.