

## SCHEDULE 2

### The Constitution of the Cayman Islands

## PART VII

### FINANCE

#### Revenue and Expenditure

**111.**—(1) The Legislature shall have the authority to levy or change the rates of revenue unless otherwise provided by law.

(2) All Government expenses, assets and the incurrence of liabilities shall require appropriation by the Legislature, unless otherwise provided by law.

(3) A law enacted by the Legislature shall govern the operation of the Government's financial system and processes.

#### Reporting

**112.**—(1) At least one report annually shall be made to the Legislative Assembly on the Government's financial performance and fiscal position.

(2) The content, timing and process for financial reporting and the agencies that are to report to the Legislative Assembly shall be prescribed by law.

#### Public debt

**113.**—(1) Total Government borrowing shall not exceed an amount for which the sum of—

- (a) total interest payments;
- (b) total other debt servicing expenses, including arrangement fees and sinking fund expenses; and
- (c) total principal or amortised debt repayments,

for a financial year is more than a percentage of Government revenue set out in law and agreed with a Secretary of State (calculated using generally accepted accounting practice) for that financial year.

(2) Subject to this Constitution, a law enacted by the Legislature may provide for a higher percentage for a limited period where a matter arises of a nature or urgency which in the opinion of the Cabinet makes it necessary to do so.

(3) For the purposes of this section, "Government borrowing" means borrowing in the name of the Government regardless of whether repayments are made directly by the Government or by a public or governmental body (including any statutory body, company or association).

#### Auditor General

**114.**—(1) There shall be an Auditor General whose office shall be a public office, and power to make appointments to the office of Auditor General, and to remove or exercise disciplinary control over any person holding or acting in that office, is vested in the Governor, acting in his or her discretion.

(2) The Auditor General may be removed from office only for inability to discharge the functions of his or her office (whether arising from infirmity of body or mind or any other cause) or for misbehaviour.

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

(3) The Auditor General 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 the power to undertake value for money investigations in respect of the activities of such authorities, offices and departments.

(4) The Auditor General, and any person authorised by him or her to act on his or her behalf, shall have access to all books, records, reports and other documents relating to the accounts referred to in subsection (3).

(5) The functions of the Auditor General and the accountability of that post and the Audit Office shall be further prescribed by law.

(6) 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 Legislative Assembly and must attend upon the Committee at its request.

(7) The Auditor General shall submit reports on his or her activities to the Public Accounts Committee of the Legislative Assembly at least twice every year and as requested by the Committee.

#### **Financial Secretary**

**115.** There shall be a Financial Secretary who shall be the principal adviser to the Minister responsible for finance, and whose office shall be a public office.