



February 26, 2013

CHAIRMAN OF THE CIAA'S BOARD ISSUES STATEMENT REGARDING FORENSIC AUDIT

A pre-condition of Mr. Richard Arch's appointment as the Chairman of the Board of Directors of the Cayman Islands Airports Authority in 2011, was that the Ministry undertake a forensic audit of the Authority.

Notwithstanding various communications to the Ministry between Mr. Arch's appointment in 2011 and June 2012 requesting such an audit, those communications went unanswered. In October 2012, Mr. Arch, initiated a forensic audit of the Authority due to ongoing concerns of the Board.

The audit mainly focused on expenses of the Authority to ensure that those expenditures were compliant with the Authority's policies, public service laws and regulations. The audit was performed by a director of the Board who is a certified public accountant, with over fifteen years' experience, using traditional audit tests and procedures.

As audit issues were identified, they were presented to the Board with supporting documentation.

Just recently all 10 members of the Board were provided with an interim report, which included the supporting documentation to substantiate the findings contained in that report.

An extraordinary Board meeting of the Authority was held in December 2012. That meeting resulted in the financial controller being dismissed from her employment with the CIAA, and the chief executive officer, Mr. Jeremy Jackson being put on suspension with full pay.

At Mr. Jackson's request the Board agreed that these pending matters would remain confidential. The inquiry by the Board continues.

The Board is dismayed and disappointed that the audit issues and report have been leaked to the media, clandestinely or illegally.



The Board maintains that there should be irreconcilable differences of emphasis between the dissemination of gossip material and confidential institutional reports that may have consequential and direct personal effect on individuals.

The Board of Directors has but one aim and one single irrevocable purpose. We are resolved to make the CIAA the best managed statutory authority in the Cayman Islands.

As a Board, we have to face our economic and financial position with realism and we are not allowing ourselves to be carried away by the quite understandable desire to court electoral popularity. Our management and our functions must be above politics.

The audit presented to the Board is comprehensive and professional. We profoundly believe that the efficiency and the productivity of the Authority must be first and paramount and must not give way to political expediency. The Board cannot obtain or maintain those goals where confidential reports are leaked to the media before proper and satisfactory actions upon them are taken. The reward for the public should be what we are trying to accomplish and not what is expedient to get elected to political office.

In order to resolve any doubt and despondency that may be lurking in the minds of fellow directors, or the public, the Board has engaged an independent firm to review the findings of the Board's audit and report. When that is completed, the Board will make its decision on the issues and share such decision with the public.

It would seem that in this country, at this time, one cannot trust the privacy of conversation and communication. That augers ill for the democratic future of our country and makes the inevitability of a suppressive state possible.



The Airports Authority Law created the Board and provides that among other things, the Board shall be responsible for overseeing the effective performance of the Authority. That is what the Board is doing in a meticulous and sober manner, nothing more nothing less. That is what the forensic audit and report findings seek to accommodate. The Board has no axe to grind and no election to win. The Board desires to do its duty, to serve and to serve well the Authority's customers, its employees and the people.

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