Auditors Oversight Authority
CAYMAN ISLANDS

Annual Report on activities for the period ended 30 September 2026

In April 2026 the Auditors Oversight (Amendment, Validation and Repeal) Act, 2026 was passed providing for, amongst other things, the repeal of the Auditors Oversight Act (the "AOA Act)" and thus the termination of the AOA after an orderly winding up of operations. The Authority will cease to exist as a legal entity on 1 October 2026.

This report is made pursuant to Rule 101(i) which requires the Authority to report publicly on its activities at least annually; it covers the nine-month period ended 30 September 2026, during which period the Authority continued to discharge its obligations under the AOA Act.

Who we are

The AOA is a Cayman Islands independent statutory authority established by the AOA Act in 2012.

What we do

Our mandate was to regulate and supervise, through conducting inspections, Cayman Islands auditors who audit the financial statements of entities which come under our purview. At 31 December 2025, there were two auditors registered with us who audit collectively one such entity. Both withdrew from the Register of Recognized Auditors effective 30 June 2026. Both were in good standing with the Authority at the date of withdrawal.

Leadership

The Board of the Authority provides the leadership of the Authority. Normally, the Board comprised five persons, three of whom were retired public accountants of whom one was a non-resident of the Cayman Islands. The Auditor General of the Cayman Islands and the Financial Secretary of the Cayman Islands were Board members, and the Managing Director of the Authority was a non-voting ex-officio member of the Board. The final meeting of the Board was on 29 September 2026.

The Managing Director was entrusted with the day-to-day administration of the AOA under authority delegated by the Board. Since Donald Cockburn retired as the Managing Director in 2019, Paul Anderton (who had served at Deputy Chairman since 2012) performed the role of acting Managing Director, relinquishing his role as a voting director. His service contract expires on 30 September 2026.

Inspection results for the period

The Managing Director was responsible for leading the inspection activities of the Authority. The Authority had an arrangement with the Institute of Chartered Accountants in England and Wales whereby personnel from the Institute assisted the Managing Director in the conduct of the Authority's inspection activities. No inspections were carried out in 2026. There were no matters arising from inspections in previous years which required further action by the AOA in 2026.

Other events and developments in the year

International Co-operation:

The International Forum of Independent Audit Regulators (IFIAR): The Authority was a member of IFIAR through 30 September 2026 and participated in IFIAR activities when appropriate.

Other equivalent overseas regulators: There were no significant inter-actions with other equivalent overseas regulators in 2026.

Financial information

Throughout its existence, virtually all of the AOA's funding was derived from the Cayman Islands Government. A modest annual fee was paid by the registered audit firms, and the AOA charged the audit firms inspected the direct costs of the inspection (being the costs of the Institute of Chartered Accountants of England & Wales personnel and the costs of the Managing Director during the inspection).

Our annual financial statements are audited by the Office of the Auditor General of Cayman Islands and are included on our website. The Auditor General is a Board member of the AOA and is recused from involvement in the audit. The audit report is signed off by his Deputy who is delegated Acting Auditor General authority to carry out the function of the Auditor General in this circumstance.

30 September 2026