



TOURISM ATTRACTION BOARD

REPORT TO THOSE CHARGED WITH GOVERNANCE ON THE 2020 AUDIT

JUNE 2021

***To help the public service
spend wisely***

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REPORT TO THOSE CHARGED WITH GOVERNANCE

INTRODUCTION

1. We have completed our audit of the December 31, 2020 financial statements of the Tourism Attraction Board (the “Board”). International Standards on Auditing (ISAs) require that we communicate certain matters to those charged with governance of the Board in sufficient time to enable appropriate action. The matters we are required to communicate under ISAs include:
 - Auditors’ responsibilities in relation to the audit
 - The overall scope and approach to the audit, including any expected limitations, or additional requirements
 - Relationships that may bear on our independence, and the integrity and objectivity of our staff
 - Expected modifications to the audit report
 - Significant findings from our audit.
2. This report sets out for the consideration of those charged with governance those matters arising from the audit of the 2020 financial statements that we consider worthy of drawing to your attention.
3. This report has been prepared for the sole use of those charged with governance and we accept no responsibility for its use by a third party. Under the Freedom of Information Law (2020 Revision) it is the policy of the Office of the Auditor General to release all final reports proactively through our website: www.auditorgeneral.gov.ky.

AUDITOR’S RESPONSIBILITIES IN RELATION TO THE AUDIT

AUDITOR’S RESPONSIBILITY UNDER INTERNATIONAL STANDARDS ON AUDITING

4. ISAs require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters and this report includes only those matters of interest which came to our attention as a result of the performance of our audit.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

5. Management's responsibilities are detailed in the engagement letter. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

6. While we have no responsibility to perform any audit work on other information, including forward looking statements, containing audited financial statements, we will read the other information contained in the Board's annual report to consider whether such information is materially consistent with information appearing in the financial statements or our knowledge of the operations of the Board. We have not reviewed any other documents containing the Board's audited financial statements.

CONDUCT, APPROACH AND OVERALL SCOPE OF THE AUDIT

7. Information on the integrity and objectivity of the Office of the Auditor General and audit staff, and the nature and scope of the audit, were outlined in the Engagement Letter presented to the Director and follow the requirements of the ISAs. We are not aware of any impairment to our independence as auditors.

AUDIT REPORT, ADJUSTMENTS AND MANAGEMENT REPRESENTATION

8. We have issued an unmodified auditor's report on the 2020 financial statements.
9. A summary of audit adjustments made to the financial statements is attached in Appendix 1 and a summary of unadjusted audit differences is attached in Appendix 2.
10. As part of the completion of our audit we obtained written representations from management on aspects of the accounts and judgments and estimates made. These representations were provided to us on April 30, 2021.

SIGNIFICANT FINDINGS FROM THE AUDIT

SIGNIFICANT ACCOUNTING PRACTICES

11. We are responsible for providing our views about qualitative aspects of the Board's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures. Generally accepted accounting principles provide for the Board to make accounting estimates and judgments about accounting policies and financial statement disclosures. We are, however, not aware of any new or controversial accounting practices reflected in the Board's financial statements.

12. Details of significant findings from the audit are included in Appendix 3 along with management's response.

MANAGEMENT'S JUDGMENTS AND ACCOUNTING ESTIMATES

13. There were no matters which required management to make significant judgments or which required significant estimates.

GOING CONCERN DOUBTS

14. As a result of our audit, we did not become aware of any material uncertainties related to events and conditions that may cast significant doubt on the Board's ability to continue as a going concern.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

15. We identified a number of significant matters relating to internal controls as part of our audit, Refer to Appendix 3 for details.

FRAUD OR ILLEGAL ACTS

16. Applicable auditing standards recognize that the primary responsibility for the prevention and detection of fraud and compliance with applicable laws and regulations rests with both those charged with governance of the entity and with management. It is important that management, with the oversight of those charged with governance; place a strong emphasis on fraud prevention, and fraud deterrence. They are also responsible for establishing and maintaining controls pertaining to the Board's objective of preparing financial statements that are presented fairly, in all material respects, in accordance with the applicable financial reporting framework and managing risks that may give rise to material misstatements in those financial statements. In exercising oversight responsibility, those charged with governance should consider the potential for management override of controls or other inappropriate influence over the financial reporting process.
17. As auditors, in planning and performing the audit, we are required to reduce audit risk to an acceptably low level, including the risk of undetected misstatements in the financial statements due to fraud. However, we cannot obtain absolute assurance that material misstatements in the financial statements will be detected because of such factors as the use of judgment, the use of testing, the inherent limitations of internal control and the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature.
18. No fraud or illegal acts came to our attention as a result of the 2020 audit.

SIGNIFICANT DIFFICULTIES ENCOUNTERED DURING THE COURSE OF OUR AUDIT

19. No serious difficulties were encountered in the performance of our audit.

DISAGREEMENTS WITH MANAGEMENT

20. We have had no disagreements with management resulting from our audit.

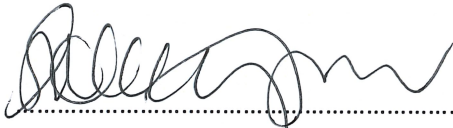
ANY OTHER SIGNIFICANT MATTERS

21. There were no other significant matters noted during the audit.

ACKNOWLEDGEMENTS

22. We would like to express our thanks to the management and staff of the Tourism Attraction Board for their help and assistance during the 2020 audit.

Yours Sincerely,



Sue Winspear, CPFA
Auditor General

APPENDIX 1 – SUMMARY OF ADJUSTED DIFFERENCES

	Net Debit	Net Credit	Net
Assets	5,328	-	5,328
Liabilities	-	(16,787)	(16,787)
Equity	-	-	-
Revenue	9,000	-	9,000
Expenses	2,449	-	2,459
Total	16,787	(16,787)	-

Date	Name	Acc #	Debit	Credit
12/31/2020	Rental Income:4131 Shop #1	4131	2,280	
12/31/2020	Rental Income:4132 Shop #2	4132	3,360	
12/31/2020	Rental Income:4133 Shop #3	4133	3,360	
12/31/2020	Bad Debt Expense	6225		(9,000)
	<i>To correct erroneously entry recognized due to the Rental abatement</i>			
12/31/2020	Payroll Liabilities: Leave Accrual & OEE	2101		(11,459)
12/31/2020	Payroll & Related Expenses: Salaries & Wages	6010	11,459	
	<i>To recognize additional staff costs not initially recognized</i>			
12/31/2020	Cayman National Bank:1071 CNB CI\$ DEBIT CARDS	1071	5,328	
12/31/2020	Payroll Liabilities:2105 Pension Payable	2105		(5,328)
	<i>To correct erroneous entry</i>			
			25,787	(25,787)

APPENDIX 2 – SUMMARY OF UNADJUSTED DIFFERENCES

	Net Debit	Net Credit	Net
Assets	-	(2,300)	(2,300)
Liabilities	-	-	-
Equity	-	-	-
Revenue	-	-	-
Expenses	2,300	-	2,300
Total	2,300	(2,300)	-

Date	Name	Acc #	Debit	Credit
12/31/2020	Accounts Receivable: 1201 Allowance for bad Debts	1201		(2,300)
12/31/2020	Bad Debt Expenses	6225	2,300	
<i>To recognize additional allowance based in on the OAG's assessment</i>				
			2,300	(2,300)

APPENDIX 3 - INTERNAL CONTROL MATTERS & SIGNIFICANT FINDINGS

Observation	Risk/Implication and Recommendation	Management Response	Implementation Date
<p>Notice of interest forms not provided.</p> <p>The OAG notes that no supporting documentation was received from TAB that the following Board members declared their financial interests for the 2020 financial year.</p> <ul style="list-style-type: none"> • Deputy Chief Office – Ministry of District Administration, Tourism and Transport • Director – Department of Tourism • Representative – Ministry of Health, Environment, Culture & Housing 	<p>Risk/Implication:</p> <p>The non-completion of Notice of Interest/Declaration of interest forms could lead to TAB not being able to identify and disclose all the applicable related parties as per the requirements of IPSAS 20 – Related Party Disclosures.</p> <p>Recommendation:</p> <p>We recommend that the Board ensures that all members declare and disclose their financial interest and a record of these declarations if kept for future references.</p>	<p>We accept the findings.</p> <p>Going forward we will make sure NOI forms from Board members are submitted in a timely manner.</p> <p>Also, 2 persons from the list are only designates, the Director of Department of Tourism is the only member of the board that did not submit NOI on time.</p>	<p>Effective immediately.</p>